

TRACKER AND SPECIALIST INVESTMENT FUNDS ICVC

ANNUAL LONG REPORT FOR THE
YEAR ENDED 31 MARCH 2016



Scottish Widows Tracker and Specialist Investment Funds ICVC

The Company and Head Office

Scottish Widows Tracker and Specialist Investment Funds ICVC
15 Dalkeith Road
Edinburgh
EH16 5WL

Incorporated in Scotland under registered number SI000014. Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD) and Registrar

Scottish Widows Unit Trust Managers Limited

Registered Office:

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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 (previously the Investment Management Association (IMA)).

Investment Adviser

Aberdeen Asset Investments Limited

Head Office:

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Correspondence Address:

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Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association (previously the Investment Management Association (IMA)).

Depository

State Street Trustees Limited

Registered Office:

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London

E14 5HJ

Correspondence Address:

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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

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About the Company

Welcome to the Annual Long Report for the Scottish Widows Tracker and Specialist Investment Funds ICVC (the "Company") covering the year ended 31 March 2016 (the "Report"). The Authorised Corporate Director (the "ACD") and Authorised Fund Manager of the Company is Scottish Widows Unit Trust Managers Limited, a private company limited by shares which was incorporated in England and Wales on 19 April 1982. Its ultimate holding company is Lloyds Banking Group plc ("Lloyds"), which is incorporated in Scotland.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Scotland under registration number SI000014 and is authorised and regulated by the Financial Conduct Authority "the FCA" (previously the Financial Services Authority "the FSA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) ("the OEIC Regulations"), with effect from 28 August 2001.

Shareholders are not liable for the debts of the Company.

The Company is a UCITS scheme which complies with Chapter 5 of the Financial Conduct Authority Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 9 sub-funds, each with different investment objectives. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to the sub-fund. The investment objective and policies and a review of the investment activities during the year are disclosed in the Financial Statements of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FCA and Depositary.

Each sub-fund would, if it were a separate investment company with variable capital, also be a UCITS scheme which complies with Chapter 5 of the COLL Sourcebook.

The assets of each Fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investments provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

The Financial Statements have been prepared on an individual basis including the 9 sub-funds in existence during the year covered by this Annual Long Report, as permitted by the OEIC Regulations and the COLL Sourcebook.

As required by the OEIC Regulations and the COLL Sourcebook, information for each of the 9 sub-funds has also been included.

The Report of the Authorised Corporate Director is defined as those items highlighted in the contents page in accordance with paragraph 4.5.9 of the COLL Sourcebook.

During the year there have been a number of changes to the Company. These changes are detailed in the section Prospectus changes.

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 Tracker and Specialist Investment Funds ICVC:

- 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.
- 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 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 24 July 2015, the Prospectus and Instrument of the Company were updated to amend the names of the benchmark index referred to in the investment objective and policy of the UK Fixed Interest Tracker Fund and the UK Index Linked Tracker Fund, both Funds of the Company, to reflect the current naming convention of such benchmarks.
- With effect from 24 July 2015, the Prospectus was updated to amend the constituent index of the UK Smaller Companies Fund, a Fund of the Company, as stated in the investment policy of such Fund from the Hoare Govett Smaller Companies Index to the Numis Smaller Companies excluding Investment Trusts Index.

Prospectus changes (continued)

- 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.
- The Eligible Markets section of the Prospectus was updated as follows:
 - The Qatar Stock Exchange has been added to the approved list.
- 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.
- James Clatworthy has retired as a Director of the ACD and the details of the directorships of the directors of the ACD have been amended accordingly.

A copy of the Prospectus is available on request.

Important information

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/oeic-ts-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.

EU Referendum

On 23 June 2016 the UK electorate voted to leave the European Union. This decision will start a process that is likely to take a minimum of two years to complete, and it is important to note that during this time the UK remains a member of the EU. This means that the rules and regulations governing asset management as well as the protections that were in place for clients prior to the referendum remain unchanged. However, the result may see a further period of uncertainty for the UK economy and financial markets, and there may be increased volatility.

Holdings in other Sub-Funds of the Company

As at 31 March 2016 there were no shares in sub-funds of the Scottish Widows Tracker and Specialist Investment Funds ICVC held by other sub-funds of the Company.

Statement of the Authorised Corporate Director's Responsibilities

The Financial Conduct Authority Collective Investment Schemes Sourcebook (the "COLL Sourcebook") requires the Authorised Corporate Director ("ACD") to prepare Financial Statements for each accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial affairs of the Company and of its net revenue and the net capital losses for the year.

In preparing the Financial Statements the ACD is required to:

- comply with the Prospectus, the Statement of Recommended Practice (IMA SORP) for Financial Statements of Authorised Funds issued in May 2014, the Instrument of Incorporation, United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for ensuring that, to the best of their knowledge and belief, there is no relevant audit information of which the auditors are unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise themselves with any relevant audit information and to establish that the auditors are aware of that information.

The ACD is also responsible for the maintenance and integrity of the website on which the financial statements and auditors' report are published and distributed electronically. Please note that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Authorised Corporate Director

In accordance with the requirements of the COLL Sourcebook as issued and amended by the Financial Conduct Authority, I hereby certify the Report on behalf of Scottish Widows Unit Trust Managers Limited, the Authorised Corporate Director.

Ronald Taylor
Director
Scottish Widows Unit Trust Managers Limited
29 July 2016

Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of the Scottish Widows Tracker and Specialist Investment Funds ICVC

for the year ended 31 March 2016

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL Sourcebook and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited
29 July 2016

Independent Auditors' Report to the Shareholders of

Scottish Widows Tracker and Specialist Investment Funds ICVC ("the Company")

for the year ended 31 March 2016

Report on the financial statements - Our opinion

In our opinion, Scottish Widows Tracker and Specialist Investment Funds ICVC's financial statements, (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 March 2016 and of the net revenue and the net capital gains/(losses) of the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

What we have audited

Scottish Widows Tracker and Specialist Investment Funds ICVC (the "Company") is an umbrella fund with a number of sub funds. The financial statements of the Company, included within the Annual Long Report for the year ended 31 March 2016 (the "Annual Report") comprise the financial statements of each of the sub-funds, which are prepared by Scottish Widows Unit Trust Managers Limited (the "Authorised Corporate Director"), and comprise for each of the sub-funds:

- the balance sheet as at 31 March 2016;
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to shareholders for the year then ended;
- the Summary of Significant Accounting Policies applicable to all sub-funds and notes to the financial statements of individual sub funds, which include other explanatory information; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception - Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit - Our responsibilities and those of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 4, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report to the Shareholders of

Scottish Widows Tracker and Specialist Investment Funds ICVC ("the Company")

(continued)

for the year ended 31 March 2016

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's and each of the Company's sub-funds' circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

29 July 2016

a) The maintenance and integrity of the Scottish Widows (www.scottishwidows.co.uk) website is the responsibility of the Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Summary of Significant Accounting Policies applicable to all sub-funds

for the year ended 31 March 2016

1. Accounting basis and distribution policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the IMA (now Investment Association) in May 2014 and FRS 102.

During the year Scottish Widows Tracker and Specialist Investment Funds ICVC and its sub-funds have adopted Financial Reporting Standard 102 (FRS 102) and the 2014 SORP. This has resulted in presentational changes to the financial statements. The SORP requires that dilution adjustments, previously included within Amounts receivable on creation of shares and Amounts payable on cancellation of shares, are to be disclosed within the Statement of change in net assets attributable to shareholders. For further details please see the financial statements of each sub-fund. There is no change to the Net assets attributable to shareholders.

The Fund has made an early adoption of the FRS102 update made in March 2016, relating to the fair value hierarchy classifications.

(b) Revenue

Dividends on equities and preference stocks are recognised when the securities are quoted ex-dividend. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable revenue when the securities are quoted ex-dividend.

Revenue from other authorised collective investment schemes is recognised when the investments are quoted ex-dividend.

Where accumulation units or shares are held in another authorised collective investment scheme, the accumulation of revenue relating to the holding is recognised in the revenue account including any withholding taxes but excluding tax credits.

Equalisation on distributions received is deducted from the cost of the investment .

Underwriting commission is recognised when the issue takes place. Where the sub-fund is required to take up some or all of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of those shares.

Scrip dividends which have been released to the market as a normal dividend at XD point will be treated as such until further detail has been provided. If receipt of the scrip option uptake is in the subsequent accounting period, the dividend will be reclassified in the following period within the Financial Statements.

Special dividends may be treated as repayments of capital or as revenue depending on the facts of the particular case.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and where applicable, is included in the distribution. In the case of enhanced scrip dividends, the value of the enhancement is treated as capital.

Interest on deposits and fixed interest securities are recognised on an accruals basis. Revenue from debt securities is accounted for on an effective yield basis.

Interest on capital distributions are recognised on an accruals basis.

Revenue is allocated when earned in the proportion of the Net Asset Value of each share class to the total Net Asset Value of the sub-fund.

Dividend revenue from offshore reporting funds is recognised when the securities are quoted ex-dividend. Non-dividend revenue from offshore reporting funds is recognised when declared, and treated as revenue for taxation and distribution purposes.

(c) Expenses

The underlying sub-funds may currently have up to seven share classes; Class A, Class B, Class C, Class G, Class I, Class W and Class X. Each share class suffers a different Authorised Corporate Director ("ACD") fee. Consequently the level of expenses attributable to each share class will differ.

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return. The only exception is interest on borrowing which is included in interest payable and similar charges in the Statement of Total Return.

Stamp duty reserve tax, where payable, is deducted as an expense from the capital of the sub-fund.

The ACD's annual fee is charged to the revenue property of the respective sub-funds. Rebates are applied where ACD's fees are incurred by the underlying investments. Internal management fee rebates (rebates from Lloyds Banking Group companies) are offset against the ACD's periodic charge.

Expenses incurred in respect of, or attributable to, the sub-funds as a whole are allocated when incurred in the proportion of the Net Asset Value of each share class to the total Net Asset Value of the sub-fund.

Summary of Significant Accounting Policies applicable to all sub-funds

(continued)

for the year ended 31 March 2016

(d) Distribution policy

The revenue from the sub-fund's investments accumulates during each accounting period. If revenue exceeds expenses during the period, the net revenue of the sub-funds is available for distribution (or re-investment) at share class level to the shareholders in accordance with the OEIC Regulations. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

For the purposes of calculating the distribution of the UK Index-Linked Tracker Fund, income from debt securities is computed on an accrual coupon basis rather than on an effective yield basis. This allows the Fund to better meet its objectives as indexation arising would need to be distributed to shareholders if an effective yield basis was applied to the distribution. This would result in the loss of protection against rising prices which the Fund seeks to achieve, by providing a total return investing in UK Index-Linked government gilts.

It is the policy of the following sub-funds to make interest distributions:

International Bond Fund, Overseas Fixed Interest Tracker Fund, UK Fixed Interest Tracker Fund and UK Index-Linked Tracker Fund.

All other sub-funds make dividend distributions.

(e) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses. UK dividend revenue is disclosed net of any related tax credit. Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the taxation note.

Deferred taxation is provided on all timing differences that have originated but not reversed by the Balance Sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

Where Brazilian IOF tax applies on foreign capital inflows into the Brazilian financial and capital markets, this is recognised in the taxation note, but since 1 December 2011 this was reduced to 0% on most security types.

(f) Valuation of investments

The listed investments of the Company have been valued at market value on 31 March 2016 at (BST) 8:00am, excluding any accrued interest in the case of fixed interest securities. Market value is defined by the SORP as fair value, which is generally the bid value of each security. Where applicable, illiquid, unlisted, delisted, unapproved or suspended securities are based on the ACD's assessment of their net realisable value.

Open forward currency contracts are shown in the Portfolio Statement and are valued using contracted forward rates.

Open Futures Contracts are shown in the Portfolio Statement and are valued at their fair value as at balance sheet date. The fair value of long positions is the quoted bid price and fair value of short positions is the quoted offer price.

If inactive or illiquid prices are observed, an appropriate price is obtained from a recognised independent broker if possible.

For debt security investments where no independent price is readily available, an internal model price methodology is used. Credit spreads are often used as inputs into fair value modelling.

Investments in collective investment schemes operated by Scottish Widows Unit Trust Managers Limited have been valued at the single price as at the last business day of the year.

Investments in other collective investment schemes have been valued at bid price for dual priced funds and at the single price for single priced funds.

(g) Exchange rates

All transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates applicable at the end of the accounting year at the appropriate valuation point.

(h) Dilution adjustment

In certain circumstances (as detailed in the Prospectus) the ACD may charge a dilution adjustment on the creation or cancellation of shares, which is paid into the capital of the relevant sub-fund on an accruals basis. The adjustment is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the sub-fund.

(i) Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Summary of Significant Accounting Policies applicable to all sub-funds

(continued)

for the year ended 31 March 2016

(j) Derivatives

Some of the sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. The treatment of the returns from derivatives depends upon the nature of the transaction. Both motives and circumstances are used to determine whether returns should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are capital and included within gains/losses on investments in the Statement of Total Return. Similarly where they are for generating or protecting revenue, and the circumstances support this, the returns are revenue and included within net revenue in the Statement of Total Return. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.

(k) Stock lending

Any income arising from stock lending is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral includes cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

Emerging Markets Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a long term capital growth through investment primarily in listed securities of companies based in developing countries or having a significant proportion of their business activities in one or more of those developing countries.

The Fund will invest in a portfolio of investments, which may include equities, equity backed depositary receipts, convertible securities and warrants listed on any eligible securities market. Investment in the Fund will be restricted to securities registered in or securities of companies having the majority of their business activities in the constituent countries of the MSCI Emerging Market Index (or such other similar index as the ACD shall consider appropriate).

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

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

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

The Fund is ranked at 6* because it has experienced high levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8 February 2016.	Typically lower rewards, lower risks						Typically higher rewards, higher risks	
	←	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
Emerging Markets Fund A Accumulation	(9.20)	11.95	(12.44)	6.52	(10.14)
Global Emerging Markets Sector Average Return	(8.32)	11.91	(11.30)	7.91	(6.71)

Source: Lipper for Emerging Markets Fund and Global Emerging Markets Sector Average Return (Funds which invest 80% or more of their assets in emerging market equities as defined by the relevant FTSE or MSCI Global Emerging Markets Index). 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.

As a group, emerging market equities were down over the review period. At the country level, among the worst performers in local currency terms were China, Egypt and Indonesia. In contrast, Russia and Turkey did well.

Over the latter months of 2015, a number of country-specific developments held investors' interest. Attention focused on the Chinese renminbi, which weakened to multi-year lows against the US dollar as the government continued to loosen its grip on the exchange rate. The Chinese central bank also announced that it plans to measure the renminbi against a basket of currencies, rather than just the US dollar. Data released in March 2016 showed that Chinese manufacturing data improved for the first time since July, owing to a pickup in construction activity and recovery in industrial profits.

In India, the equity market recently responded well to a new budget, which held few surprises. The government focused on fiscal prudence, even as greater investments in agricultural and rural infrastructure were proposed.

Turning to Latin America, Brazil also featured heavily in news headlines over the period. The notorious "country of the future" had its credit rating downgraded to junk by ratings agency Fitch. Meanwhile, 2015 saw more political clouds gathering over President Rousseff. In March, the country's largest political party quit the governing coalition, a move that may hasten Rousseff's impeachment. In contrast, Mexico's economy continued to grow while annual inflation cooled to a record low during 2015.

Investment Review (continued)

At asset level, the position in SK Innovation, the South Korean oil company, had a positive effect on returns over the period. Indian IT consultancy Infosys also did well. In contrast, Great Wall Motor Company, the Chinese car manufacturer, acted as a detractor to returns over the 12 months. Indonesian conglomerate Astra International also had a negative influence on performance.

Towards the end of the reporting period, being underweight, China had the largest positive impact on Fund performance as Chinese stocks underperformed the benchmark. The Fund also gained from good stock selection within China, with the position in GCL Poly, a silicon producer, outperforming its peers. A rebound in Brazilian equities and the real was also positive. As the likelihood of a new government increased, the positions in Vale, Cosan and Ultrapar all benefited performance. An underweight position in South African financials, which rebounded in line with commodity prices, had the biggest negative effect on the Fund.

With the boost from Chinese policy stimulus becoming increasingly clear, we now expect gross domestic product growth of 6.5% in 2016 (up from 6.2% previously) and 6.2% in 2017 (6.0% previously). The medium-term outlook for China remains clouded by the debt overhang and excess industrial capacity.

Elsewhere in the emerging markets, the outlook is mixed. Brazil and Russia are in deep recessions, although political change may eventually improve prospects for the former. In India, the boost from government investment is fading, but consumption-led growth and expectations of a favourable monsoon should support activity in 2016.

Aberdeen Asset Investments Limited

April 2016

Emerging Markets Fund

Portfolio Statement

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
BERMUDA (0.81%*)		7,034	0.74
Alibaba Pictures	5,060,000	796	0.08
COSCO Pacific	1,724,000	1,543	0.16
Credicorp	32,917	3,008	0.32
GOME Electrical Appliances	17,057,000	1,687	0.18
BRAZIL (8.72%*)		69,339	7.28
Ambev	1,781,600	6,604	0.69
Arezzo Industria e Comercio	100,400	452	0.05
Banco Bradesco	303,820	1,834	0.19
Banco Bradesco Preference Shares	1,722,974	9,357	0.98
BR Malls Participacoes	388,200	1,138	0.12
BRF	246,300	2,529	0.27
Cielo	489,468	3,396	0.36
Cosan	594,000	3,652	0.38
Embraer	473,200	2,200	0.23
Iguatemi Empresa de Shopping Centers	203,500	991	0.10
International Meal	817,576	651	0.07
Itau Unibanco Preference Shares	1,175,684	7,300	0.77
Itausa - Investimentos Itau Preference Shares	650,800	1,065	0.11
Lojas Renner	1,033,500	4,348	0.46
Multiplan Empreendimentos Imobiliarios	373,000	3,947	0.41
Petroleo Brasileiro ADR	620,900	2,537	0.27
Petroleo Brasileiro Sponsored ADR	784,800	2,517	0.26
Qualicorp	367,000	1,036	0.11
TOTVS	85,300	465	0.05
Ultrapar Participacoes	421,800	5,798	0.61
Vale ADR	936,713	2,763	0.29
Vale ADR Preference Shares	1,881,700	4,173	0.44
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	97,400	586	0.06
CAYMAN ISLANDS (4.26%*)		38,248	4.02
Belle International	2,405,000	962	0.10
CIMC Enric	4,320,000	1,593	0.17
GCL-Poly Energy	21,054,000	2,423	0.25
Tencent	2,186,700	30,911	3.25
Tingyi Cayman Islands	980,000	764	0.08
Want Want China	3,123,000	1,595	0.17
CHILE (1.22%*)		9,517	1.00
Banco Santander Chile ADR	376,300	5,104	0.54
Enersis ADR	280,500	2,701	0.28
Parque Arauco	783,274	982	0.10
SONDA	549,968	730	0.08

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
CHINA (10.99%*)		105,748	11.13
Agricultural Bank of China	12,757,000	3,201	0.34
Baidu ADR	32,605	4,315	0.45
Bank of China	28,781,000	8,282	0.87
Byd	399,000	1,595	0.17
China Communications Construction	2,525,000	2,082	0.22
China Construction Bank	26,749,000	11,859	1.25
China Everbright Bank	2,516,000	833	0.09
China Life Insurance	3,399,000	5,832	0.61
China Longyuan Power	3,389,000	1,719	0.18
China Merchants Bank	2,515,006	3,695	0.39
China Minsheng Banking	5,597,299	3,609	0.38
China Pacific Insurance	2,266,600	5,901	0.62
China Petroleum & Chemical	7,540,000	3,424	0.36
China Resources Land	1,266,000	2,270	0.24
China Shenhua Energy	2,508,000	2,724	0.29
China Vanke	665,900	1,137	0.12
CITIC Securities	1,059,500	1,730	0.18
CRRC	1,917,000	1,334	0.14
Ctrip.com International ADR	27,900	875	0.09
Evergrande Real Estate	2,154,000	1,154	0.12
Great Wall Motor	3,657,500	2,079	0.22
Guangzhou R&F Properties	1,403,200	1,393	0.15
Haitong Securities	1,492,800	1,775	0.19
Huadian Power International	2,474,000	1,095	0.12
Huaneng Power International	2,150,000	1,332	0.14
Industrial & Commercial Bank of China	28,117,000	10,872	1.14
PetroChina	16,512,000	7,602	0.80
Ping An Insurance	1,290,000	4,304	0.45
Qihoo 360 Technology ADR	17,156	905	0.10
Shenzhou International	330,000	1,240	0.13
Sinotrans	5,614,000	1,701	0.18
TravelSky Technology	767,000	870	0.09
Yanzhou Coal Mining	3,276,000	1,184	0.12
ZTE	1,432,880	1,825	0.19
COLOMBIA (0.22%*)		1,352	0.14
Ecopetrol ADR	226,000	1,352	0.14
CZECH REPUBLIC (0.21%*)		2,211	0.23
Komerční Banka	14,359	2,211	0.23
GREECE (0.18%*)		1,125	0.12
Hellenic Telecommunications Organization	181,075	1,112	0.12
National Bank of Greece	66,702	13	0.00

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
HONG KONG (6.01%*)		45,753	4.80
ANTA Sports Products	1,016,000	1,564	0.16
Beijing Enterprises	766,500	2,892	0.30
China Everbright International	3,317,000	2,571	0.27
China Merchants Holdings International	570,000	1,166	0.12
China Mobile	2,964,000	22,855	2.40
China Overseas Land & Investment	1,244,000	2,752	0.29
China Resources Power	1,910,000	2,460	0.26
China Unicom Hong Kong	2,486,000	2,253	0.24
CNOOC	4,444,000	3,617	0.38
Fosun International	1,518,236	1,496	0.16
Lenovo	3,936,000	2,127	0.22
HUNGARY (0.58%*)		7,220	0.75
OTP Bank	140,225	2,426	0.25
Richter Gedeon	348,542	4,794	0.50
INDIA (8.37%*)		86,022	9.02
Adani Ports & Special Economic Zone	410,381	1,057	0.11
Aurobindo Pharma	184,702	1,433	0.15
Bajaj Auto	133,785	3,445	0.36
Cairn India	1,509,530	2,410	0.25
Container Corporation of India	53,683	698	0.07
Godrej Consumer Products	130,155	1,900	0.20
Grasim Industries	70,642	2,944	0.31
HCL Technologies	93,967	808	0.08
Hero MotoCorp	134,243	4,171	0.44
Hindustan Unilever	662,673	6,036	0.63
Housing Development Finance	976,336	11,343	1.19
ICICI Bank	1,900,245	4,764	0.50
Infosys	763,918	9,718	1.02
Infosys ADR	271,889	3,631	0.38
ITC	2,095,049	7,293	0.77
Kansai Nerolac Paints	764,192	2,267	0.24
Larsen & Toubro GDR	54,567	702	0.07
Lupin	80,397	1,256	0.13
Piramal Enterprises	110,684	1,190	0.13
Reliance Industries Sponsored GDR	210,220	4,595	0.48
Sun Pharmaceutical Industries	567,613	4,923	0.52
Tata Consultancy Services	100,174	2,640	0.28
Tech Mahindra	307,686	1,551	0.16
Ultratech Cement	154,452	5,247	0.55
INDONESIA (2.63%*)		21,913	2.30
AKR Corporindo	1,599,300	577	0.06
Astra International	22,644,100	8,551	0.90
Bank Mandiri	3,510,700	1,887	0.20
Indocement Tunggal Prakarsa	3,131,300	3,252	0.34
Perusahaan Gas Negara	9,882,800	1,350	0.14
Telekomunikasi Indonesia Persero	27,262,300	4,747	0.50
United Tractors	1,939,800	1,549	0.16
IRELAND (0.00%*)		33,653	3.54
Aberdeen Global Liquidity Sterling Fund Advisory~	430	0	0.00
iShares MSCI Emerging Markets#	1,492,394	33,653	3.54

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
ISLE OF MAN (0.07%*)		7	0.00
Greenko	672,817	7	0.00
LUXEMBOURG (0.30%*)		2,870	0.30
Tenaris ADR	166,700	2,870	0.30
MALAYSIA (3.21%*)		28,591	3.00
Axiata	1,935,900	2,028	0.21
CIMB	4,325,700	3,723	0.39
Genting	1,234,800	2,123	0.22
Genting Malaysia	4,124,500	3,308	0.35
IOI	2,406,500	1,952	0.21
Malayan Banking	1,268,088	2,025	0.21
MISC	1,969,500	3,100	0.33
PPB	584,400	1,731	0.18
Public Bank	2,134,330	7,136	0.75
Sime Darby	701,980	990	0.10
SP Setia	853,100	475	0.05
MEXICO (4.98%*)		48,017	5.06
Alfa	1,061,500	1,492	0.16
America Movil ADR	487,000	5,281	0.56
Cemex	5,091,388	2,554	0.27
Fomento Economico Mexicano	1,522,600	10,227	1.07
Grupo Aeroportuario del Sureste ADR	53,928	5,546	0.58
Grupo Financiero Banorte	2,746,900	10,990	1.16
Grupo Financiero Inbursa	1,042,400	1,480	0.16
Grupo Televisa	354,200	1,386	0.15
Industrias Penoles	162,190	1,448	0.15
Mexichem	2,163,200	3,723	0.39
Organizacion Soriana	974,900	1,610	0.17
Wal-Mart de Mexico	1,351,300	2,280	0.24
NETHERLANDS (0.00%*)		2,737	0.29
Steinhoff International	611,196	2,737	0.29
PHILIPPINES (2.37%*)		17,546	1.84
Ayala Land	11,109,000	5,875	0.62
Bank of the Philippine Islands	3,826,220	5,070	0.53
Jollibee Foods	1,454,970	4,948	0.52
Philippine Long Distance Telephone	55,265	1,653	0.17
POLAND (1.58%*)		10,062	1.06
Bank Pekao	165,167	5,105	0.54
PGE Polska Grupa Energetyczna	848,316	2,206	0.23
Powszechny Zaklad Ubezpieczen	418,268	2,751	0.29
RUSSIA (3.57%*)		36,718	3.85
Gazprom ADR	1,975,369	6,021	0.63
Lukoil ADR	411,272	11,084	1.16
Magnit GDR	204,733	5,693	0.60
MMC Norilsk ADR	167,053	1,553	0.16
NOVATEK GDR	26,367	1,646	0.17
Sberbank of Russia	5,824,303	6,532	0.69
Surgutneftegas ADR	299,258	1,210	0.13
Tatneft ADR	133,494	2,979	0.31

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
SOUTH AFRICA (6.68%*)		49,831	5.25
AngloGold Ashanti	227,819	2,214	0.23
Barclays Africa	165,398	1,127	0.12
Bidvest	127,764	2,222	0.23
FirstRand	418,092	916	0.10
Massmart	605,845	3,585	0.38
MTN	897,553	5,540	0.58
Naspers	152,209	14,716	1.55
Remgro	276,508	3,232	0.34
Sanlam	837,023	2,591	0.27
Sasol	158,365	3,316	0.35
SPAR	458,302	4,176	0.44
Standard Bank	176,654	1,095	0.12
Truworths International	1,154,478	5,101	0.54
SOUTH KOREA (13.90%*)		147,742	15.53
Amorepacific Preference Shares	24,718	3,316	0.35
BS Financial	413,793	2,442	0.26
Celltrion	32,206	2,156	0.23
DGB Financial	357,787	1,942	0.20
E-Mart	33,237	3,547	0.37
Hanmi Pharm	2,211	942	0.10
Hotel Shilla	15,246	618	0.06
Hyosung	18,073	1,576	0.17
Hyundai Mobis	27,978	4,239	0.45
Hyundai Motor	83,920	7,778	0.82
Hyundai Motor Preference Shares	19,819	1,257	0.13
Hyundai Steel	36,022	1,217	0.13
KB Financial	188,082	3,647	0.38
KEPCO Plant Service & Engineering	20,381	795	0.08
Kia Motors	123,877	3,644	0.38
Korea Aerospace Industries	23,244	924	0.10
Korea Electric Power	143,205	5,230	0.55
KT&G	66,657	4,450	0.47
LG	110,663	4,615	0.49
LG Chem	16,468	3,283	0.35
LG Electronics	62,906	2,359	0.25
LG Household & Health Care	6,028	3,470	0.36
NAVER	15,613	6,064	0.64
POSCO	24,967	3,334	0.35
Samsung C&T	31,284	2,718	0.29
Samsung Electronics	47,309	37,817	3.97
Samsung Electronics Preference Shares	8,237	5,555	0.58
Samsung Fire & Marine Insurance	24,642	4,417	0.46
Samsung Heavy Industries	175,735	1,184	0.12
Samsung SDI	26,714	1,613	0.17
Samsung SDS	6,349	677	0.07
Shinhan Financial	136,019	3,351	0.35
Shinsegae	19,696	2,438	0.26
SK	4,108	559	0.06
SK Hynix	224,968	3,855	0.41
SK Innovation	76,717	8,022	0.84
SK Telecom	21,167	2,691	0.28

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
TAIWAN (12.29%*)		107,519	11.33
Advanced Semiconductor Engineering	3,493,000	2,827	0.30
Asia Cement	2,432,955	1,550	0.16
Asustek Computer	364,840	2,277	0.24
Catcher Technology	513,000	2,929	0.31
Cathay Financial	7,423,100	6,184	0.65
CTBC Financial	5,611,388	2,061	0.22
E.Sun Financial	8,973,035	3,499	0.37
First Financial	549,835	189	0.02
Formosa Chemicals & Fibre	2,086,460	3,621	0.38
Formosa Plastics	2,479,480	4,265	0.45
Fubon Financial	3,633,240	3,224	0.34
Hon Hai Precision Industry	5,689,614	10,441	1.10
Innolux	6,902,880	1,675	0.18
Largan Precision	96,000	5,189	0.55
MediaTek	495,000	2,644	0.28
Mega Financial	6,414,821	3,176	0.33
Nan Ya Plastics	2,985,980	4,367	0.46
President Chain Store	216,000	1,095	0.12
Quanta Computer	1,504,000	1,828	0.19
Taiwan Mobile	1,750,000	3,943	0.41
Taiwan Semiconductor Manufacturing	10,660,000	37,185	3.91
United Microelectronics	8,843,000	2,539	0.27
Uralkali	465,335	811	0.09
THAILAND (3.25%*)		24,539	2.58
BTS	9,415,900	1,649	0.17
Bumrungrad Hospital	201,700	834	0.09
Kasikornbank	1,518,100	5,259	0.55
PTT Exploration and Production	1,023,100	1,418	0.15
PTT Global Chemical	1,421,300	1,688	0.18
Ruentex Development	1,263,000	1,115	0.12
Siam Cement	714,850	6,566	0.69
Siam Commercial Bank	2,161,081	6,010	0.63
TURKEY (2.18%*)		22,935	2.41
Akbank	3,055,001	6,008	0.63
BIM Birlesik Magazalar	318,369	4,842	0.51
Cimsa Cimento	121,910	464	0.05
Emlak Konut**	2,870,212	1,999	0.21
KOC	1,087,737	3,882	0.41
Turkiye Garanti Bankasi	2,875,805	5,740	0.60
UNITED ARAB EMIRATES (0.30%*)		6,659	0.70
Dubai Financial Market	3,242,371	837	0.09
Dubai Islamic Bank	2,089,737	2,305	0.24
Emaar Properties	3,128,860	3,517	0.37
UNITED KINGDOM (0.68%*)		5,476	0.57
BHP Billiton	145,917	1,171	0.12
Mondi	228,722	3,091	0.32
SABMiller	28,633	1,214	0.13
UNITED STATES (0.00%*)		7,341	0.77
Alibaba ADR	133,559	7,341	0.77

Emerging Markets Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
FUTURES CONTRACTS (0.00%*)		135	0.01
Mini MSCI Emerging Markets Index Futures June 2016	98	135	0.01
Portfolio of investments		947,860	99.62
Net other assets		3,588	0.38
Total net assets		951,448	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

Stocks shown as ADRs and GDRs represent American Depositary Receipts and Global Depositary Receipts.

*Comparative figures shown in brackets relate to 31 March 2015.

**Real Estate Investment Trust (REIT).

#Exchange Traded Fund.

◇Asset managed by the Fund's Investment Adviser.

~The market value of the holding is below £500 and is therefore rounded down to £0.

Emerging Markets Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
iShares MSCI Emerging Markets#	90,511	iShares MSCI Emerging Markets#	55,962
Aberdeen Global Liquidity Sterling Fund Advisory◇	30,551	Aberdeen Global Liquidity Sterling Fund Advisory◇	30,565
Alibaba ADR	7,180	Hang Seng Index Futures July 2015	5,896
Hang Seng Index Futures July 2015	6,243	Samsung Electronics	5,829
Hang Seng Index Futures August 2015	5,675	Hang Seng Index Futures August 2015	5,363
Baidu ADR	4,388	Ambev	5,142
China Construction Bank	3,291	China Mobile	4,825
Hang Seng Index Futures September 2015	3,181	Taiwan Semiconductor Manufacturing	4,582
POSCO	3,081	Tencent	4,572
Mini MSCI Emerging Markets Index Futures March 2016	2,856	Localiza Rent a Car	3,820

Purchases and sales of Futures have been included at the value of their exposure.

#Exchange Traded Fund.

◇Asset managed by the Fund's Investment Adviser.

Emerging Markets Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	149.19	133.22	151.82
Return before operating charges*	(11.49)	18.37	(16.21)
Operating charges	(2.28)	(2.40)	(2.39)
Return after operating charges*	(13.77)	15.97	(18.60)
Closing net asset value per share	135.42	149.19	133.22
Retained distributions on accumulation shares	1.14	1.12	1.17
*after direct transaction costs of:~	0.04	0.08	0.02
Performance			
Return after charges^	(9.23%)	11.99%	(12.25%)
Other information			
Closing net asset value (£'000)	2,946	4,203	3,586
Closing number of shares	2,175,284	2,817,084	2,691,484
Operating charges#	1.71%	1.69%	1.71%
Direct transaction costs~	0.03%	0.05%	0.01%
Prices			
Highest share price	161.70	154.70	154.90
Lowest share price	112.10	131.10	126.40

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

Emerging Markets Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class X - Accumulation			
Change in net assets per share			
Opening net asset value per share	174.65	153.64	172.41
Return before operating charges*	(13.38)	21.33	(18.44)
Operating charges	(0.33)	(0.32)	(0.33)
Return after operating charges*	(13.71)	21.01	(18.77)
Closing net asset value per share	160.94	174.65	153.64
Retained distributions on accumulation shares	3.68	3.77	3.77
*after direct transaction costs of:~	0.05	0.09	0.02
Performance			
Return after charges	(7.85%)	13.67%	(10.89%)
Other information			
Closing net asset value (£'000)	948,502	993,852	848,181
Closing number of shares	589,343,284	569,068,784	552,067,784
Operating charges#	0.21%	0.19%	0.21%
Direct transaction costs~	0.03%	0.05%	0.01%
Prices			
Highest share price	189.30	179.60	176.40
Lowest share price	132.80	152.80	145.70

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Prices for share class X are not published as this is an internal share class.

Emerging Markets Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(91,057)		96,719
Revenue	3	25,619		25,727	
Expenses	4	(1,983)		(1,939)	
Interest payable and similar charges		(28)		(12)	
Net revenue before taxation		23,608		23,776	
Taxation	5	(2,816)		(2,519)	
Net revenue after taxation			20,792		21,257
Total return before distributions			(70,265)		117,976
Distributions	6		(20,792)		(21,248)
Change in net assets attributable to shareholders from investment activities			(91,057)		96,728

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		998,055		851,767
Amounts receivable on creation of shares*	95,776		65,612	
Less: Amounts payable on cancellation of shares*	(73,438)		(38,136)	
		22,338		27,476
Dilution adjustment*		418		585
Change in net assets attributable to shareholders from investment activities		(91,057)		96,728
Retained distribution on accumulation shares		21,694		21,499
Closing net assets attributable to shareholders		951,448		998,055

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 25.

Notes to the Financial Statements are on pages 25 to 33.

Emerging Markets Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	31/03/15 £000
Assets			
Fixed assets			
Investments		<u>947,860</u>	<u>993,639</u>
Current assets			
Debtors	8	3,161	2,184
Cash and bank balances	9	<u>1,390</u>	<u>3,241</u>
Total assets		<u>952,411</u>	<u>999,064</u>
Liabilities			
Creditors			
Bank overdrafts		(160)	(1)
Other creditors	10	<u>(803)</u>	<u>(1,008)</u>
Total liabilities		<u>(963)</u>	<u>(1,009)</u>
Net assets attributable to shareholders		<u>951,448</u>	<u>998,055</u>

Notes to the Financial Statements are on pages 25 to 33.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £418,168 (31/03/15: £255,587) have been reclassified from 'Amounts receivable on creation of shares' of £224,862 (31/03/15: £150,173) and 'Amounts payable on cancellation of shares' of £193,306 (31/03/15: £105,414).

2. Net capital (losses)/gains

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Non-derivative securities	(90,262)	96,268
Future contracts	(84)	342
Forward currency contracts	(20)	-
Currency (losses)/gains	(700)	157
Transaction charges	(29)	(48)
Dealing cost reimbursement*	38	-
Net capital (losses)/gains	<u>(91,057)</u>	<u>96,719</u>

*Commissions refund on trades charged at Commission Sharing Agreement rates.

3. Revenue

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
UK dividends	214	147
Overseas taxable revenue	112	50
Overseas non-taxable revenue	23,526	22,665
Distributions from Regulated Collective Investment Schemes:		
Offshore distribution taxable	2	2
Offshore distribution non-taxable	321	220
Bank interest	2	4
Interest on capital#	1,143	2,471
Overseas scrip dividends	-	29
Stock lending revenue	299	139
Total revenue	<u>25,619</u>	<u>25,727</u>

#Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions.

as at 31 March 2016

4. Expenses

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	47	54
Registration fees	877	964
	<u>924</u>	<u>1,018</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	77	82
Revenue collection charges	90	122
Safe custody fees	791	671
	<u>958</u>	<u>875</u>
Other expenses:		
Audit fee	11	11
Other expenses	35	-
Other professional fees*	55	35
	<u>101</u>	<u>46</u>
Total expenses	<u>1,983</u>	<u>1,939</u>

Expenses include irrecoverable VAT where applicable.

*Other professional fees are in relation to Fokus Bank tax reclaim paid to Deloitte, Linklaters and other consultancies. Professional fees paid to Hogan Lovells, Clyde & Co, Eversheds and Brick Court Chambers.

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
(a) Analysis of charge in year:		
Corporation tax	-	143
Double tax relief	-	(143)
Irrecoverable overseas tax	2,816	2,519
Total current tax	<u>2,816</u>	<u>2,519</u>
Total taxation (note 5b)	<u>2,816</u>	<u>2,519</u>
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	23,608	23,776
Corporation tax of 20% (2015: 20%)	4,722	4,755
Effects of:		
UK dividends*	(43)	(29)
Non-taxable scrip dividends	-	(6)
Overseas non-taxable revenue	(4,769)	(4,577)
Double tax relief	-	(143)
Movement in excess management expenses	125	-
Irrecoverable overseas tax	2,816	2,519
Overseas tax expensed	(35)	-
Total tax for year (note 5a)	<u>2,816</u>	<u>2,519</u>

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

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

as at 31 March 2016

(c) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £124,771 (31/03/15: £nil) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

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

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Final	21,694	21,499
Add: Revenue deducted on cancellation of shares	1,049	658
Deduct: Revenue received on creation of shares	(1,951)	(909)
Net distributions for the year	<u>20,792</u>	<u>21,248</u>

Details of the distribution per share is set out in the Distribution Tables on page 34.

7. Movement between net revenue and net distributions

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Net revenue after taxation	20,792	21,257
Movement in net income as a result of conversions	-	(9)
Net distributions for the year	<u>20,792</u>	<u>21,248</u>

8. Debtors

	31/03/16	31/03/15
	£000	£000
Sales awaiting settlement	169	-
Amounts receivable for issue of shares	-	10
Accrued revenue	2,992	2,174
Total debtors	<u>3,161</u>	<u>2,184</u>

9. Cash and bank balances

	31/03/16	31/03/15
	£000	£000
Cash and bank balances	1,226	3,057
Amounts held at futures clearing houses and brokers	164	184
Total cash and bank balances	<u>1,390</u>	<u>3,241</u>

10. Other creditors

	31/03/16	31/03/15
	£000	£000
Amounts payable for cancellation of shares	185	289
Accrued expenses	618	719
Total other creditors	<u>803</u>	<u>1,008</u>

as at 31 March 2016

11. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £82,063 (31/03/15: £87,925) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	89.84	90.12

12. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class A - Accumulation:	1.50
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 21 and 22.

The distributions per share class are given in the Distribution Tables on page 34.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening	Creations	Cancellations	Closing shares
	shares in issue			Shares converted
				in issue
Share Class A - Accumulation	2,817,084	53,900	(695,700)	-
Share Class X - Accumulation	569,068,784	67,001,000	(46,726,500)	-
Total	571,885,868	67,054,900	(47,422,200)	-

13. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

14. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £18,196,164 (31/03/2015: £34,275,565). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £19,813,033 (31/03/2015: £36,527,066). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £399,020 (31/03/15: £185,047) and £99,772 (31/03/15: £46,272).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Barclays	4,855	-
Citigroup Global Markets (UK)	1,026	-
Citigroup Global Markets (USA)	-	241
Credit Suisse Securities (Europe)	3,015	1,832
Credit Suisse Securities (USA)	-	889
Deutsche Bank	1,962	116
Deutsche Bank Securities	-	3,309
Goldman Sachs	-	4,212
Goldman Sachs International	-	3,349
HSBC Bank	-	2,094
JP Morgan Clearing	-	89
JP Morgan Securities	2,159	-
Merrill Lynch	946	514
Merrill Lynch, Pierce, Fenner & Smith	-	1,311
Morgan Stanley	-	7,888
Morgan Stanley International	2,475	6,739
Nomura International	435	-
Societe Generale	119	-
UBS	1,204	1,693
Total securities on loan	<u>18,196</u>	<u>34,276</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	13,001	12,029
Equities	3,647	2,544
Cash	3,165	21,954
Total collateral held	<u>19,813</u>	<u>36,527</u>

as at 31 March 2016

15. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 11. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A significant proportion of the Fund's financial assets and liabilities are denominated overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Emerging Markets Fund would have been an increase or decrease of approximately £9,177,214 (31/03/15: £9,964,716).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/03/16	31/03/15
	£000	£000
Brazilian real	57,499	73,981
Chilean peso	1,712	-
Czech Republic koruna	2,211	2,102
Euro	1,125	1,775
Hong Kong dollar	187,680	217,089
Hungarian forint	7,220	5,839
Indian rupee	77,130	75,284
Indonesian rupiah	21,954	26,337
Malaysian ringgit	28,676	31,891
Mexican peso	37,189	35,230
Philippine peso	17,580	23,612
Polish zloty	10,062	15,737
Russian ruble	-	15
South African rand	58,525	73,962
South Korean won	149,778	140,292
Taiwanese dollar	107,821	123,425
Thai baht	23,499	32,659
Turkish lira	23,068	21,852
UAE dirham	6,868	3,066
US dollar	98,124	92,324
Total	917,721	996,472

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

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

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

The Fund's net cash holding of £1,225,733 (31/03/15: holding £3,055,267) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

The Fund holds net cash at futures brokers of £3,776 (31/03/15: cash £183,844), whose rates are based on LIBOR or its international equivalent.

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

The Fund did not have any long term financial liabilities.

(c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. Such exposure to the various markets is balanced through tactical allocation of futures contracts. These contracts were traded on an eligible derivatives exchange.

as at 31 March 2016

Financial derivative instruments exposure – fair value	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	134,757	38,453
Total Financial derivative instrument exposure	134,757	38,453

Financial derivative instruments exposure – notional	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	2,839,682	2,284,742
Total Financial derivative instrument exposure	2,839,682	2,284,742

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	399,020	185,047
Direct operational costs and fees incurred	(79,818)	(37,018)
Indirect operational costs and fees incurred	(19,954)	(9,254)
Net revenue generated for Fund during the annual accounting period	299,248	138,775

Underlying exposure obtained through EPM techniques	2,839,682	2,284,742
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Counterparties to financial derivative instruments and efficient portfolio management technique	Value (£)	Value (£)
	31/03/16	31/03/15
Merrill Lynch - Futures	134,757	38,453
Total uncollateralised counterparty exposure	134,757	38,453

The counterparty exposure represents the amount that the Fund could lose if the counterparty defaulted. This is calculated as the unrealised profit on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	Value (£)	Value (£)
	31/03/16	31/03/15
The type and amount of collateral received to reduce counterparty exposure:		
GBP Cash - Merrill Lynch	(160,213)	184,878
HKD Cash - Merrill Lynch	-	(1,034)
USD Cash - Merrill Lynch	163,990	-

(d) Liquidity risk

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

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

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

as at 31 March 2016

(e) Market price risk and fair value of financial assets and liabilities

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £9,478,600 (31/03/15: £9,936,388).

(f) Credit risk

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

16. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Collective Investment Schemes	121,062	53,190	86,527	55,217
Equities	198,997	317,336	187,435	266,027
Futures	29,490	32,253	28,850	32,552
Trades in the year before transaction costs	349,549	402,779	302,812	353,796
Commissions				
Equities	98	125	(82)	(73)
Futures	1	1	(1)	(1)
Total commissions	99	126	(83)	(74)
Taxes				
Equities	102	186	(227)	(287)
Total costs	201	312	(310)	(361)
Total net trades in the year after transaction costs	349,750	403,091	302,502	353,435

as at 31 March 2016

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions				
Equities	0.05	0.04	0.04	0.03
Futures	0.00	0.00	0.00	0.00
Taxes				
Equities	0.05	0.06	0.12	0.11

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

	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions (%) - Purchases	0.01	0.01
Taxes (%) - Purchases	0.01	0.02
Commissions (%) - Sales	0.01	0.01
Taxes (%) - Sales	0.03	0.03

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equity securities and futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.21% (31/03/2015: 0.18%).

17. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	947,860	-	993,639	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	947,860	-	993,639	-

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

18. Subsequent events

As at the balance sheet date the Net Asset Value per share (at sub-fund level) was 160.99p. The Net Asset Value per share was 187.31p on 28 July 2016. This represents an increase of 16.35% from the year end value. This increase is a result of market fluctuations.

Emerging Markets Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 April 2015

Group 2 Final Shares purchased on or between 1 April 2015 and 31 March 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	1.1448	-	1.1448	1.1207
Group 2	(p)	(p)	(p)	(p)
Final	0.4369	0.7079	1.1448	1.1207

Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	3.6768	-	3.6768	3.7725
Group 2	(p)	(p)	(p)	(p)
Final	0.7366	2.9402	3.6768	3.7725

Corporate shareholder information (unaudited) for all share classes

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

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

International Bond Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a high level of income and also capital growth by investing in any geographic area excluding South East Asia (not including Japan) in investments in which a securities scheme (see Note below) is authorised to invest.

The portfolio may be comprised of investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest, including loan stock, bonds and other instruments creating or acknowledging indebtedness, but the ACD intends to place investment emphasis on Government and other fixed interest securities.

Note: Being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes. The use of derivatives for this type of scheme is restricted to efficient portfolio management.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

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

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

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.	← Typically lower rewards, lower risks							Typically higher rewards, higher risks →						
	1	2	3	4	5	6	7							

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
International Bond Fund A Accumulation	6.70	7.23	(9.58)	6.32	7.02
Global Bonds Sector Average Return	3.38	6.00	(3.61)	9.06	3.66

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

The past twelve months have been a volatile period for global asset markets amid a weak global economic backdrop, falling commodity prices and divergent central bank policy.

In the US, solid economic data, particularly in the labour market, prompted the US Federal Reserve (Fed) to signal that they would begin policy normalisation. The market 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 when compared with previous tightening cycles as the committee were able to emphasise a gradual path of rate hikes. However, markets became far more volatile in early 2016 prompting Fed rhetoric to turn increasingly dovish.

In Europe, falling inflation expectations and softer economic data led the European Central Bank (ECB) to ease several times. The December meeting seemed to underwhelm market participants with regards to the package announced; while the March meeting exceeded expectations by cutting the deposit rate by 10 basis points and extending quantitative easing.

Investment Review (continued)

The Bank of Japan (BoJ) unexpectedly cut its policy rate to (0.1)% in January. The negative rate applies only to new reserves. Now that the rate has crossed into negative territory, the bar for further cuts has probably been lowered although adverse market sentiment around negative rates may discourage further cuts.

China was a continued source of volatility as its economy attempts to rebalance away from the export sector. Currency devaluation in August triggered a significant market sell-off. Policy makers responded by cutting the reserve requirement ratio several times to inject more liquidity into the system. The economy seems to have stabilised and market fears about a disordered slowdown have (perhaps temporarily) subsided.

The portfolio underperformed relative to the benchmark. Currency returns detracted as the portfolio's short euro versus US dollar position detracted from performance, particularly in the second quarter of 2015 as broad risk-off sentiment led to euro outperformance. In rates, the portfolio's duration underweight detracted as rates closed the period lower. US yield curve positioning also made a negative contribution. These losses were partially offset by overweights in Italy and Germany in the third quarter of 2015. A long Italy versus Germany spread position also positively contributed.

Despite recent dovish Federal Open Market Committee communication, we still expect a tighter path of policy than currently priced into markets as the US labour market continues to tighten and core inflation picks up. In the UK, Brexit risks are likely to hang over all UK assets until the European Union referendum. The ECB exceeded expectations of easing at its March meeting but further action is still probable. The BoJ looks set to continue easing to meet its inflation target having now crossed into negative territory. In this environment, we favour higher US breakeven rates and European periphery. We remain cautious towards emerging markets, especially in foreign exchange space.

Aberdeen Asset Investments Limited

April 2016

International Bond Fund

Portfolio Statement

as at 31 March 2016

	Nominal Values	Market Value €000	Total Net Assets %
AUSTRALIA (4.31%*)		22,152	1.64
Australia Government Bond 1.75% 21/11/2020	AUD42,111,000	22,152	1.64
BELGIUM (1.35%*)		19,235	1.43
Belgium Government Bond 2.25% 22/06/2023	EUR14,300,000	13,097	0.97
Belgium Government Bond 3.75% 22/06/2045	EUR4,960,000	6,138	0.46
CANADA (1.33%*)		87,943	6.53
Canadian Government Bond 1.25% 01/02/2018	CAD147,420,000	80,178	5.95
Canadian Government Bond 5% 01/06/2037	CAD9,510,000	7,765	0.58
FRANCE (4.31%*)		90,203	6.69
France Government Bond 0.01% 25/05/2020	EUR61,000,000	48,659	3.61
France Government Bond 0.5% 25/05/2025	EUR21,530,000	17,267	1.28
France Government Bond 1.5% 25/05/2031	EUR18,760,000	16,027	1.19
France Government Bond 3.25% 25/05/2045	EUR7,220,000	8,250	0.61
GERMANY (3.24%*)		29,691	2.20
Bundesrepublik Deutschland 0.5% 15/02/2025	EUR10,880,000	8,953	0.66
Bundesrepublik Deutschland 5.5% 04/01/2031	EUR6,540,000	8,879	0.66
Bundesrepublik Deutschland 2.5% 15/08/2046	EUR10,380,000	11,859	0.88
IRELAND (0.84%*)		11,365	0.84
Ireland Government Bond 3.4% 18/03/2024	EUR11,760,000	11,365	0.84
ITALY (6.21%*)		79,938	5.93
Italy Buoni Poliennali Del Tesoro 0.7% 01/05/2020	EUR62,780,000	50,580	3.75
Italy Buoni Poliennali Del Tesoro 1.5% 01/06/2025	EUR15,054,000	12,261	0.91
Italy Buoni Poliennali Del Tesoro 3.25% 01/09/2046	EUR5,606,000	5,298	0.39
Italy Buoni Poliennali Del Tesoro 2.7% 01/03/2047	EUR13,940,000	11,799	0.88
JAPAN (19.42%*)		284,665	21.12
Japan Government Five Year Bond 0.3% 20/03/2018	JPY8,410,150,000	52,704	3.91
Japan Government Ten Year Bond 1.1% 20/03/2021	JPY8,586,000,000	56,584	4.20
Japan Government Ten Year Bond 0.4% 20/03/2025	JPY6,398,100,000	41,521	3.08
Japan Government Twenty Year Bond 2.1% 20/06/2029	JPY9,983,600,000	77,935	5.78
Japan Government Thirty Year Bond 2.4% 20/03/2037	JPY3,318,350,000	28,433	2.11
Japan Government Thirty Year Bond 1.5% 20/03/2045	JPY3,569,350,000	27,488	2.04
MEXICO (1.35%*)		15,358	1.14
Mexican Bonos 10% 05/12/2024	MXN296,310,000	15,358	1.14
NETHERLANDS (1.24%*)		17,091	1.26
Netherlands Government Bond 1.75% 15/07/2023	EUR12,000,000	10,696	0.79
Netherlands Government Bond 3.75% 15/01/2042	EUR4,854,296	6,395	0.47
SPAIN (3.73%*)		64,738	4.81
Spain Government Bond 1.15% 30/07/2020	EUR39,996,000	32,680	2.43
Spain Government Bond 1.6% 30/04/2025	EUR30,271,000	24,547	1.82
Spain Government Bond 5.15% 31/10/2044	EUR6,250,000	7,511	0.56
SWEDEN (1.72%*)		4,716	0.35
Sweden Government Bond 5% 01/12/2020	SEK44,470,000	4,716	0.35
UNITED KINGDOM (10.94%*)		96,941	7.20
UK Treasury 1% 07/09/2017	GBP8,770,000	8,844	0.66
UK Treasury 2% 22/07/2020	GBP22,500,000	23,684	1.76
UK Treasury 2.75% 07/09/2024	GBP15,280,000	17,033	1.26
UK Treasury 4.25% 07/06/2032	GBP10,050,000	13,222	0.98
UK Treasury 4.75% 07/12/2038	GBP6,170,000	8,957	0.67
UK Treasury 4.25% 07/12/2049	GBP17,030,000	25,201	1.87

International Bond Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Nominal Values	Market Value £000	Total Net Assets %
UNITED STATES (38.88%*)		518,742	38.49
US Treasury Inflation Indexed Bonds 0.375% 15/07/2025	USD23,550,000	16,741	1.24
US Treasury Note 0.5% 30/06/2016	USD34,620,000	24,149	1.79
US Treasury Note 0.625% 31/07/2017	USD318,900,000	222,196	16.49
US Treasury Note 1.375% 31/08/2020	USD133,700,000	93,998	6.98
US Treasury Note 2.125% 15/05/2025	USD89,730,000	64,319	4.77
US Treasury Note 2.5% 15/02/2045	USD75,640,000	51,194	3.80
US Treasury Note 4.5% 15/02/2036	USD38,241,000	36,444	2.70
US Treasury Note 5.25% 15/11/2028	USD10,200,000	9,701	0.72
FORWARD CURRENCY CONTRACTS (0.10%*)		(3,049)	(0.21)
Australian Dollar			
Sold AUD36,449,000 for GBP18,534,169 Settlement 07/06/2016		(839)	(0.06)
Canadian Dollar			
Sold CAD135,120,000 for GBP71,366,323 Settlement 07/06/2016		(1,171)	(0.09)
Danish Krone			
Bought DKK68,532,000 for GBP7,163,326 Settlement 07/06/2016		111	0.01
Euro			
Bought EUR8,708,000 for USD9,577,224 Settlement 07/06/2016		211	0.02
Bought EUR23,541,000 for GBP18,513,466 Settlement 07/06/2016		108	0.01
Bought EUR37,232,000 for GBP29,016,015 Settlement 07/06/2016		436	0.03
Bought EUR3,859,000 for GBP3,012,689 Settlement 07/06/2016		40	0.00
Sold EUR4,006,000 for GBP3,107,474 Settlement 07/06/2016		(61)	0.00
Sold EUR6,791,000 for GBP5,268,662 Settlement 07/06/2016		(103)	(0.01)
Sold EUR4,013,000 for GBP3,124,726 Settlement 07/06/2016		(50)	0.00
Japanese Yen			
Bought JPY1,081,240,000 for USD9,525,471 Settlement 07/06/2016		77	0.01
Bought JPY139,190,000 for GBP869,089 Settlement 07/06/2016		(4)	0.00
Bought JPY3,247,378,000 for GBP20,572,296 Settlement 07/06/2016		(396)	(0.03)
Sold JPY1,011,090,000 for GBP6,421,365 Settlement 07/06/2016		139	0.01
Sold JPY877,144,000 for GBP5,485,812 Settlement 07/06/2016		36	0.00
Mexican Peso			
Sold MXN354,643,000 for GBP13,941,904 Settlement 07/06/2016		(285)	(0.02)
US Dollar			
Bought USD910,000 for GBP656,510 Settlement 07/06/2016		(22)	0.00
Bought USD14,216,000 for GBP10,102,597 Settlement 07/06/2016		(191)	(0.01)
Bought USD4,215,000 for GBP2,978,070 Settlement 07/06/2016		(39)	0.00
Bought USD11,748,000 for GBP8,183,093 Settlement 07/06/2016		8	0.00
Bought USD5,964,000 for GBP4,264,194 Settlement 07/06/2016		(106)	(0.01)
Bought USD73,759,000 for GBP52,740,755 Settlement 07/06/2016		(1,316)	(0.10)
Sold USD34,678,000 for GBP24,539,157 Settlement 07/06/2016		362	0.03
Sold USD2,854,000 for GBP1,996,259 Settlement 07/06/2016		6	0.00
Portfolio of investments[^]		1,339,729	99.42
Net other assets		7,773	0.58
Total net assets		1,347,502	100.00

All holdings are admitted to official stock exchange listings unless otherwise stated.

Forward Currency Contracts are Over the Counter (OTC) contracts.

*Comparative figures shown in brackets relate to 31 March 2015.

[^]Including investment liabilities.

International Bond Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
US Treasury Note 0.625% 31/07/2017	365,361	US Treasury Note 0.375% 15/01/2016	170,435
US Treasury Note 0.375% 15/01/2016	169,948	US Treasury Note 0.375% 15/03/2016	163,952
US Treasury Note 0.375% 15/03/2016	160,375	US Treasury Note 0.625% 31/07/2017	157,425
US Treasury Note 1.375% 31/08/2020	151,817	UK Treasury 4.75% 07/09/2015	139,732
Bundesrepublik Deutschland 0.5% 15/02/2025	88,087	US Treasury Note 1.625% 31/07/2019	110,922
UK Treasury Note 4.750% 07/09/2015	84,351	Bundesrepublik Deutschland 0.5% 15/02/2025	81,612
US Treasury Note 0.5% 30/06/2016	83,967	US Treasury Note 1.375% 30/04/2020	73,596
Canadian Government Bond 1.25% 01/02/2018	76,616	US Treasury Note 7.250% 15/05/2016	73,044
US Treasury Note 2.125% 15/05/2025	74,354	US Treasury Note 7.125% 31/05/2015	72,603
US Treasury Note 1.375% 30/04/2020	71,659	US Treasury Note 1.375% 31/08/2020	68,257

International Bond Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	210.50	196.26	217.00
Return before operating charges*	16.69	16.99	(17.95)
Operating charges	(2.81)	(2.75)	(2.79)
Return after operating charges*	13.88	14.24	(20.74)
Closing net asset value per share	224.38	210.50	196.26
Retained distributions on accumulation shares	-	0.17	0.29
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges^	6.59%	7.26%	(9.56%)
Other information			
Closing net asset value (£'000)	404,425	341,279	1,298,745
Closing number of shares	180,242,367	162,126,367	661,733,240
Operating charges#	1.37%	1.37%	1.37%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	227.70	212.60	218.50
Lowest share price	191.50	192.90	192.90

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

International Bond Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Income			
Change in net assets per share			
Opening net asset value per share	130.05	121.35	134.38
Return before operating charges*	10.30	10.49	(11.10)
Operating charges	(1.73)	(1.68)	(1.75)
Return after operating charges*	8.57	8.81	(12.85)
Distributions on income shares	-	(0.11)	(0.18)
Closing net asset value per share	138.62	130.05	121.35

*after direct transaction costs of:~

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Performance

Return after charges	6.59%	7.26%	(9.56%)
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Other information

Closing net asset value (£'000)	205	210	55,485
Closing number of shares	148,037	161,537	45,722,971
Operating charges#	1.37%	1.37%	1.37%
Direct transaction costs~	0.00%	0.00%	0.00%

Prices

Highest share price	140.70	131.40	135.30
Lowest share price	118.30	119.30	119.40

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

International Bond Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	217.07	201.98	222.88
Return before operating charges*	17.17	17.40	(18.55)
Operating charges	(2.36)	(2.31)	(2.35)
Return after operating charges*	14.81	15.09	(20.90)
Closing net asset value per share	231.88	217.07	201.98
Retained distributions on accumulation shares	0.31	0.58	0.72
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges	6.82%	7.47%	(9.38%)
Other information			
Closing net asset value (£'000)	291	284	370
Closing number of shares	125,489	130,989	182,989
Operating charges#	1.12%	1.12%	1.12%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	235.30	219.20	224.50
Lowest share price	197.50	198.60	198.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

International Bond Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Income			
Change in net assets per share			
Opening net asset value per share	130.22	121.50	134.54
Return before operating charges*	10.28	10.46	(11.18)
Operating charges	(1.41)	(1.39)	(1.42)
Return after operating charges*	8.87	9.07	(12.60)
Distributions on income shares	(0.18)	(0.35)	(0.44)
Closing net asset value per share	138.91	130.22	121.50

*after direct transaction costs of:~

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Performance

Return after charges	6.81%	7.47%	(9.37%)
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Other information

Closing net asset value (£'000)	114	118	146
Closing number of shares	82,088	90,588	120,088
Operating charges#	1.12%	1.12%	1.12%
Direct transaction costs~	0.00%	0.00%	0.00%

Prices

Highest share price	141.00	131.70	135.50
Lowest share price	118.50	119.50	119.60

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

International Bond Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class C - Income			
Change in net assets per share			
Opening net asset value per share	130.75	122.00	135.10
Return before operating charges*	10.28	10.44	(11.30)
Operating charges	(1.10)	(1.09)	(1.11)
Return after operating charges*	9.18	9.35	(12.41)
Distributions on income shares	(0.44)	(0.60)	(0.69)
Closing net asset value per share	139.49	130.75	122.00

*after direct transaction costs of:~

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Performance

Return after charges	7.02%	7.66%	(9.18%)
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Other information

Closing net asset value (£'000)	1,200	1,254	1,335
Closing number of shares	860,013	959,013	1,094,013
Operating charges#	0.87%	0.87%	0.87%
Direct transaction costs~	0.00%	0.00%	0.00%

Prices

Highest share price	141.80	132.30	136.10
Lowest share price	119.00	120.00	120.10

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)
Share Class W - Gross Accumulation		
Change in net assets per share		
Opening net asset value per share	108.79	100.00
Return before operating charges*	8.76	8.91
Operating charges	(0.13)	(0.12)
Return after operating charges*	8.63	8.79
Closing net asset value per share	117.42	108.79
Retained distributions on accumulation shares	1.26	1.39
*after direct transaction costs of:~	-	-
Performance		
Return after charges	7.93%	8.79%
Other information		
Closing net asset value (£'000)	941,267	916,639
Closing number of shares	801,629,331	842,585,831
Operating charges#	0.12%	0.12%
Direct transaction costs~	0.00%	0.00%
Prices		
Highest share price	119.00	109.70
Lowest share price	99.24	98.77

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched 1 April 2014.

International Bond Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital gains	2		79,529		85,815
Revenue	3	15,495		18,505	
Expenses	4	(5,469)		(5,891)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		10,024		12,613	
Taxation	5	-		-	
Net revenue after taxation			10,024		12,613
Total return before distributions			89,553		98,428
Distributions	6		(10,252)		(12,613)
Change in net assets attributable to shareholders from investment activities			79,301		85,815

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,259,784		1,356,081
Amounts receivable on creation of shares*	107,602		62,135	
Less: Amounts payable on cancellation of shares*	(109,486)		(256,246)	
		(1,884)		(194,111)
Dilution adjustment*		93		126
Change in net assets attributable to shareholders from investment activities		79,301		85,815
Retained distribution on accumulation shares		10,208		11,872
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		1,347,502		1,259,784

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 48.

Notes to the Financial Statements are on pages 48 to 55.

International Bond Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	Restated 31/03/15 £000
Assets			
Fixed assets			
Investments		<u>1,344,312</u>	<u>1,248,755</u>
Current assets			
Debtors	8	5,195	59,124
Cash and bank balances		<u>3,218</u>	<u>10,799</u>
Total assets		<u>1,352,725</u>	<u>1,318,678</u>
Liabilities			
Investment liabilities		<u>(4,583)</u>	<u>(1,933)</u>
Creditors			
Distribution payable*		(3)	(43)
Other creditors*	9	<u>(637)</u>	<u>(56,918)</u>
Total liabilities		<u>(5,223)</u>	<u>(58,894)</u>
Net assets attributable to shareholders		<u>1,347,502</u>	<u>1,259,784</u>

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 48.

Notes to the Financial Statements are on pages 48 to 55.

International Bond Fund

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £92,451 (31/03/15: £126,434) have been reclassified from 'Amounts receivable on creation of shares' of £41,572 (31/03/15: £495) and 'Amounts payable on cancellation of shares' of £50,879 (31/03/15: £125,939).

'Income tax payable' totalling £566 (31/03/15: £40,146) has been reclassified from 'Other creditors' to 'Distribution payable'.

2. Net capital gains

The net capital gains during the year comprise:

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Non-derivative securities	77,752	69,152
Forward currency contracts	828	16,352
Currency gains	960	315
Transaction charges	(11)	(4)
Net capital gains	<u>79,529</u>	<u>85,815</u>

3. Revenue

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Bank interest	12	30
Interest on debt securities	14,918	17,488
Stock lending revenue	565	987
Total revenue	<u>15,495</u>	<u>18,505</u>

4. Expenses

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	4,068	4,392
Registration fees	1,194	1,255
	<u>5,262</u>	<u>5,647</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	104	108
Safe custody fees	91	123
	<u>195</u>	<u>231</u>
Other expenses:		
Audit fee	12	13
Total expenses	<u>5,469</u>	<u>5,891</u>

Expenses include irrecoverable VAT where applicable.

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
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(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

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

Net revenue before taxation	10,024	12,613
Corporation tax of 20% (2015: 20%)	2,005	2,523
Effects of:		
Tax deductible interest distributions	(2,005)	(2,523)
Total tax charge for year	-	-

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Interim	5,045	5,670
Final	5,167	6,209
Income tax withheld	1	74
	10,213	11,953
Add: Revenue deducted on cancellation of shares	117	698
Deduct: Revenue received on creation of shares	(78)	(38)
Net distributions for the year	10,252	12,613

Details of the distribution per share is set out in the Distribution Tables on pages 56 to 57.

7. Movement between net revenue and net distributions

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Net revenue after taxation	10,024	12,613
Share class A shortfall funded from capital	228	-
Net distributions for the year	10,252	12,613

8. Debtors

	31/03/16 £000	31/03/15 £000
Sales awaiting settlement	-	48,980
Accrued revenue	5,195	10,144
Total debtors	5,195	59,124

as at 31 March 2016

9. Other creditors

	31/03/16	31/03/15
	£000	£000
Purchases awaiting settlement	-	36,879
Amounts payable for cancellation of shares	-	19,446
Accrued expenses	637	593
Total other creditors	<u>637</u>	<u>56,918</u>

10. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £543,626 (31/03/15: £465,516) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	65.74	67.33

11. Share classes

The Fund has three share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class A - Accumulation:	1.25
Share Class A - Income:	1.25
Share Class B - Accumulation:	1.00
Share Class B - Income:	1.00
Share Class C - Income:	0.75
Share Class W - Gross Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 40 to 45.

The distributions per share class are given in the Distribution Tables on pages 56 to 57.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	162,126,367	42,067,000	(23,951,000)	-	180,242,367
Share Class A - Income	161,537	-	(13,500)	-	148,037
Share Class B - Accumulation	130,989	-	(5,500)	-	125,489
Share Class B - Income	90,588	-	(8,500)	-	82,088
Share Class C - Income	959,013	-	(99,000)	-	860,013
Share Class W - Gross Accumulation	842,585,831	17,256,500	(58,213,000)	-	801,629,331
Total	<u>1,006,054,325</u>	<u>59,323,500</u>	<u>(82,290,500)</u>	-	<u>983,087,325</u>

12. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

13. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £360,532,250 (31/03/2015: £364,736,260). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £395,918,758 (31/03/2015: £396,417,132). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £753,959 (31/03/15: £1,315,554) and £188,498 (31/03/15: £328,896).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Abbey National Treasury Services	-	89,365
Barclays	96,502	-
Citigroup Global Markets (UK)	13,053	6,210
Credit Suisse Securities (Europe)	138,065	55,503
Deutsche Bank	-	30,102
HSBC Bank	13,295	-
ING Bank	83,344	34,233
JP Morgan Securities	-	7,079
Merrill Lynch	-	35,375
Morgan Stanley International	-	37,546
Royal Bank of Scotland	-	57,039
Societe Generale	5,889	-
UBS	10,384	12,284
Total securities on loan	<u>360,532</u>	<u>364,736</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	65,761	293,500
Equities	310,810	96,571
Cash	19,348	6,346
Total collateral held	<u>395,919</u>	<u>396,417</u>

14. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 35. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A significant portion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales. Forward foreign exchange contracts have been entered into to hedge against the currency movements in the investment portfolio. These contracts are disclosed on the portfolio statement.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the International Bond Fund would have been an increase or decrease of approximately £12,555,350 (31/03/15: £11,861,539).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/03/16	Currency exposure 31/03/15
	£000	£000
Currency		
Australian dollar	2,921	9,400
Canadian dollar	15,654	16,895
Danish krone	7,274	6,755
Euro	360,602	287,201
Japanese yen	301,112	274,194
Mexican peso	1,484	422
New Zealand dollar	-	6,437
Swedish krona	4,779	582
US dollar	561,709	584,268
Total	<u>1,255,535</u>	<u>1,186,154</u>

as at 31 March 2016

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

The Fund receives revenue from holdings in fixed interest investments. Given that the Fund's objective is to provide a high and regular revenue whilst not neglecting capital growth, these cashflows are considered to be of primary importance and are actively managed.

The interest rate risk profile of the company's financial assets and liabilities at 31 March was:

Currency	Floating rate	Floating rate	Net financial	Total
	financial	financial	(liabilities) not	
	assets	assets	carrying	
	£000	£000	interest	£000
			£000	
31/03/16				
Sterling	3,218	96,941	(8,192)	91,967
Australian dollar	-	22,152	(19,231)	2,921
Canadian dollar	-	87,943	(72,289)	15,654
Danish krone	-	-	7,274	7,274
Euro	-	312,261	48,341	360,602
Japanese yen	-	284,665	16,447	301,112
Mexican peso	-	15,358	(13,874)	1,484
Swedish krona	-	4,716	63	4,779
US dollar	-	518,742	42,967	561,709
Total	3,218	1,342,778	1,506	1,347,502
31/03/15				
Sterling	10,799	137,839	(75,008)	73,630
Australian dollar	-	54,187	(44,787)	9,400
Canadian dollar	-	16,776	119	16,895
Danish krone	-	-	6,755	6,755
Euro	-	229,832	57,369	287,201
Japanese yen	-	244,545	29,649	274,194
Mexican peso	-	17,009	(16,587)	422
New Zealand dollar	-	-	6,437	6,437
Swedish krona	-	21,774	(21,192)	582
US dollar	-	523,570	60,698	584,268
Total	10,799	1,245,532	3,453	1,259,784

The Fund's net cash holding of £3,218,229 (31/03/15: holding £10,798,954) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

As at 31 March 2016, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the International Bond Fund would have been an increase or decrease of approximately £3,356,946 (31/03/15: £3,113,828).

The Fund did not have any long term financial liabilities.

as at 31 March 2016

Financial derivative instruments exposure – fair value	Value (£)	Value (£)
	31/03/16	31/03/15
Forward foreign currency contracts	1,534,910	3,224,023
Total Financial derivative instrument exposure	1,534,910	3,224,023

Financial derivative instruments exposure – notional	Value (£)	Value (£)
	31/03/16	31/03/15
Forward foreign currency contracts	1,236,628	56,380,505
Total Financial derivative instrument exposure	1,236,628	56,380,505

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	753,959	1,315,554
Direct operational costs and fees incurred	(150,798)	(263,116)
Indirect operational costs and fees incurred	(37,700)	(65,779)
Net revenue generated for Fund during the annual accounting period	565,461	986,659

Underlying exposure obtained through EPM techniques	1,236,628	56,380,505
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Counterparties to financial derivative instruments and efficient portfolio management technique	Value (£)	Value (£)
	31/03/16	31/03/15
Bank of New York Brussels - Forwards	(766,820)	1,546,443
BNP Paribas - Forwards	(1,320,633)	122,167
Deutsche Bank AG - Forwards	-	769,568
HSBC Bank - Forwards	972,287	(837,641)
Royal Bank of Canada (UK) - Forwards	(1,214,392)	(309,896)
State Street Bank and Trust Company - Forwards	(720,063)	-
Total uncollateralised counterparty exposure	(3,049,621)	1,290,641

The counterparty exposure represents the amount that the Fund could lose if the counterparty defaulted. This is calculated as the unrealised profit on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral as at 31 March 2016

No collateral received.

(c) Liquidity risk

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

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

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

as at 31 March 2016

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

The Fund invests principally in fixed interest securities. The value of fixed interest securities is not fixed and may go down as well as up. Any change to the interest rates relevant for the particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. Changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

Debt security credit analysis

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Investment grade	1,342,778	1,245,532

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £13,397,288 (31/03/15: £12,468,218).

(e) Credit risk

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

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16	01/04/14 to 31/03/15	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000	£000	£000
Fixed Income*	2,698,263	2,100,995	2,669,307	2,255,152
Total net trades in the year after transaction costs	2,698,263	2,100,995	2,669,307	2,255,152

*These types of transaction do not attract direct portfolio transaction costs.

Direct transaction costs are expenses incurred when buying and selling financial investments. Fixed interest securities and futures have no separately identifiable transaction costs and these costs form part of the dealing spread.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.21% (31/03/2015: 0.09%).

as at 31 March 2016

16. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,188,123	-	1,062,351	-
Level 2	156,189	(4,583)	186,404	(1,933)
Level 3	-	-	-	-
Total fair value	<u>1,344,312</u>	<u>(4,583)</u>	<u>1,248,755</u>	<u>(1,933)</u>

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

17. Subsequent events

As at the balance sheet date the Net Asset Value per share (at sub-fund level) was 137.21p. The Net Asset Value per share was 151.37p on 28 July 2016. This represents an increase of 10.32% from the year end value. This increase is a result of market fluctuations.

International Bond Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 Interim Shares purchased prior to 1 April 2015
 Final Shares purchased prior to 1 October 2015
- Group 2 Interim Shares purchased on or between 1 April 2015 and 30 September 2015
 Final Shares purchased on or between 1 October 2015 and 31 March 2016

Share Class A - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	-	-	-	-	-	0.0728
Final	-	-	-	-	-	0.0933
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	-	-	-	-	-	0.0728
Final	-	-	-	-	-	0.0933

Share Class A - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	-	-	-	-	-	0.0562
Final	-	-	-	-	-	0.0558
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	-	-	-	-	-	0.0562
Final	-	-	-	-	-	0.0558

Share Class B - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.1938	0.0388	0.1550	-	0.1550	0.2780
Final	0.1904	0.0381	0.1523	-	0.1523	0.3065
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.1908	0.0382	0.1526	0.0024	0.1550	0.2780
Final	0.1883	0.0377	0.1506	0.0017	0.1523	0.3065

Share Class B - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.1166	0.0233	0.0933	-	0.0933	0.1674
Final	0.1130	0.0226	0.0904	-	0.0904	0.1845
Group 2*	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.1166	0.0233	0.0933	-	0.0933	0.1674
Final	0.1130	0.0226	0.0904	-	0.0904	0.1845

*Equalisation amount on the group 2 units exists, however amounts are small and therefore the equalisation rate rounds to nil.

International Bond Fund

Distribution Tables

(continued)

for the year ended 31 March 2016

Share Class C - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.2716	0.0543	0.2173	-	0.2173	0.2907
Final	0.2780	0.0556	0.2224	-	0.2224	0.3125
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.2690	0.0538	0.2152	0.0021	0.2173	0.2907
Final	0.2765	0.0553	0.2212	0.0012	0.2224	0.3125

Share Class W - Gross Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.6136	-	0.6136	-	0.6136	0.6737
Final	0.6443	-	0.6443	-	0.6443	0.7184
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.1178	-	0.1178	0.4958	0.6136	0.6737
Final	0.2157	-	0.2157	0.4286	0.6443	0.7184

Latin American Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide long term capital growth from a balanced portfolio of investments in the listed securities of companies based in Latin America or having a significant proportion of their business activities in one or more countries in Latin America.

It is intended that the purpose of the Fund be achieved by active investment management, to take advantage of changing economic conditions, of a portfolio of investments which may include shares, American depositary receipts, Latin American bonds, global and other equity backed depositary receipts, convertible securities and listed warrants, listed on any eligible securities market.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 6* because it has experienced high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>Typically lower rewards, lower risks</p>						<p>Typically higher rewards, higher risks</p>
	←						→
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
Latin American Fund A Accumulation	(3.29)	(13.04)	(22.17)	0.08	(7.60)
Equity Global Emerging Markets Latin American Sector Average Return	(8.10)	(10.60)	(22.93)	5.24	(9.43)

Source: Lipper for Latin American Fund and Equity Global Emerging Markets Latin American Sector Average Return. IMA for specialist Sector Average Return (funds that have an investment universe that is not accommodated by the mainstream sectors. Performance ranking of funds within the sector as a whole is inappropriate, given the diverse nature of its constituents). 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.

Latin American equities fell during the year under review, mitigated by a relief rally towards the period-end. Renewed weakness in commodity and energy prices weighed on investor sentiment, and the Federal Reserve's rate hike in December triggered some knee-jerk outflows. Brazil was particularly weak, as it sank deeper into a recession. Inflation rose to a 12-year high and unemployment reached 7.6%. Finance Minister Joaquim Levy resigned after disagreements with both congress and government over his policies. However in 2016, the stockmarket gained momentum, buoyed by increasing optimism about President Dilma Rousseff's impeachment and a possible regime change, which could spur reforms to arrest the economy's slide.

Chile and Mexico were among the better performers, with both countries posting decent GDP (gross domestic product) growth, although Chile was hurt by weak investments. Mexico's inflation rate eased to a record low, allowing the central bank to raise interest rates in a bid to support the currency. In Argentina, shares rose after pro-business candidate Mauricio Macri won the presidential election.

The Fund fell by 3.29% over the year but still outperformed the benchmark.

Our holding in Vale was the biggest detractor from relative performance, as the ongoing low iron-ore price environment compounded difficulties for the miner. Its share price also came under pressure following an accident at Samarco, its joint-venture operation with BHP Billiton. The company has communicated with its investors well, but there remains significant concern over the magnitude of the potential fines it faces. Peruvian engineering and construction company Grana y Montero continues to face a tough operating environment due to weak commodity prices. Colombian supermarket operator Grupo Exito was hampered by the weak outlook for domestic demand as well as negative sentiment towards the transaction with its parent Casino to acquire assets in Brazil and Argentina.

Investment Review (continued)

Conversely, Chilean Coca-Cola bottler Embotelladora Andina performed well on the back of better-than-expected results and expectations of sector consolidation. Not holding Petrobras and America Movil also benefited the fund. The state-owned energy company remained under pressure from the high debt burden, loss of its second investment-grade rating and falling oil prices. Meanwhile, the Mexican telco fell sharply due to continued regulatory and competitive pressures.

The US Federal Reserve's lowered forecast for the number of interest rate rises for 2016 has bolstered interest in emerging markets generally, and the potential stabilisation of the oil-price for a lengthier period could bode well for Latin American markets. Brazil's political saga continues to unfold, fuelling widespread desire for rapid change. However, the reality is that impeachment is a long, drawn out process, and the economy is likely to continue contracting. In Mexico, the federal government appears to be making the right moves to meet its fiscal targets, cutting spending and maintaining budget austerity. Argentine president Mauricio Macri is prescribing similar economic medicine, removing utilities subsidies to avoid bankrupting the budget. However, this, coupled with the disclosure of his directorship in an offshore company through the leaked Panama papers, could hurt his popularity.

Despite such an unstable environment, our portfolio continues to reflect the strategy of diversification as we look for businesses that boast relatively unique attributes. We remain confident that our holdings can take advantage of long-term growth drivers in Latin America to reap rewards and boost returns.

Aberdeen Asset Investments Limited

April 2016

Latin American Fund

Portfolio Statement

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
BERMUDA (1.54%*)		121	1.72
Wilson Sons BDR	20,000	121	1.72
BRAZIL (57.56%*)		3,942	55.89
Ambev	81,675	303	4.30
Arezzo Industria e Comercio	42,000	189	2.68
Banco Bradesco Preference Shares	104,303	566	8.02
BM&F Bovespa	52,750	160	2.27
Bradespar Preference Shares	39,000	47	0.67
BRF	22,800	234	3.32
Cia Hering	20,000	59	0.84
Iguatemi Empresa de Shopping Centers	17,000	83	1.18
Itau Unibanco Preference Shares	87,430	543	7.70
Localiza Rent a Car	19,500	114	1.62
Lojas Renner	81,000	341	4.83
Multiplan Empreendimentos Imobiliarios	31,000	328	4.65
Natura Cosméticos	20,700	109	1.55
Odontoprev	43,950	101	1.43
TOTVS	16,900	92	1.30
Ultrapar Participacoes	21,300	293	4.15
Vale Preference 'A' Shares	90,200	204	2.89
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	10,208	61	0.86
WEG	41,000	115	1.63
CHILE (9.37%*)		707	10.03
Banco Santander Chile ADR	14,966	203	2.88
Embotelladora Andina Preference Shares	95,100	182	2.58
Parque Arauco	92,932	117	1.66
SACI Falabella	42,400	205	2.91
COLOMBIA (3.11%*)		209	2.96
Almacenes Exito	23,300	84	1.19
Bancolombia	22,600	125	1.77
LUXEMBOURG (2.81%*)		167	2.37
Tenaris ADR	9,700	167	2.37
MEXICO (23.47%*)		1,685	23.88
Arca Continental	27,500	132	1.87
Fomento Economico Mexicano ADR	5,035	339	4.81
Grupo Aeroportuario del Centro Norte ADR	5,600	180	2.55
Grupo Aeroportuario del Sureste ADR	1,700	175	2.48
Grupo Financiero Banorte	83,800	335	4.75
Grupo Financiero Santander Mexico	68,000	87	1.23
Grupo Lala	46,213	87	1.23
Kimberly-Clark de Mexico	42,100	71	1.01
Organizacion Soriana	29,200	48	0.68
Wal-Mart de Mexico	136,850	231	3.27

Latin American Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
PERU (1.58%*)		163	2.31
Cementos Pacasmayo	70,821	74	1.05
Grana y Montero ADR	31,500	89	1.26
Portfolio of investments		6,994	99.16
Net other assets		59	0.84
Total net assets		7,053	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

Stocks shown as ADRs and BDRs represent American Depositary Receipts and Brazilian Depositary Receipts.

*Comparative figures shown in brackets relate to 31 March 2015.

Latin American Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
Banco Bradesco Preference Shares	83	Banco Bradesco Preference Shares	238
Grupo Lala	70	Souza Cruz	189
Cementos Pacasmayo	69	Fomento Economico Mexicano ADR	162
Itau Unibanco Preference Shares	50	Embotelladora Andina Preference Shares	149
Banco Bradesco	46	Vale Preference 'A' Shares	145
Wal-Mart de Mexico	45	Grupo Aeroportuario del Centro Norte ADR	124
SACI Falabella	31	Lojas Renner	117
Arca Continental	28	Wal-Mart de Mexico	108
BRF	27	Kimberly-Clark de Mexico	101
Almacenes Exito	25	Organizacion Soriana	83

Stocks shown as ADRs represent American Depositary Receipts.

Latin American Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	255.21	292.06	381.57
Return before operating charges*	(4.36)	(30.95)	(83.95)
Operating charges	(4.63)	(5.90)	(5.56)
Return after operating charges*	(8.99)	(36.85)	(89.51)
Closing net asset value per share	246.22	255.21	292.06
Retained distributions on accumulation shares	2.92	3.24	4.02
*after direct transaction costs of:~	0.03	0.29	-
Performance			
Return after charges^	(3.52%)	(12.62%)	(23.46%)
Other information			
Closing net asset value (£'000)	6,601	9,036	12,766
Closing number of shares	2,680,715	3,540,865	4,371,265
Operating charges#	2.04%	2.00%	1.74%
Direct transaction costs~	0.02%	0.10%	0.00%
Prices			
Highest share price	279.60	345.20	385.40
Lowest share price	179.10	243.80	262.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

Latin American Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	262.04	299.16	389.88
Return before operating charges*	(4.40)	(31.83)	(85.89)
Operating charges	(4.15)	(5.29)	(4.83)
Return after operating charges*	(8.55)	(37.12)	(90.72)
Closing net asset value per share	253.49	262.04	299.16
Retained distributions on accumulation shares	3.58	4.08	4.92
*after direct transaction costs of:~	0.04	0.29	-
Performance			
Return after charges	(3.26%)	(12.41%)	(23.27%)
Other information			
Closing net asset value (£'000)	444	493	648
Closing number of shares	175,221	188,221	216,521
Operating charges#	1.79%	1.75%	1.49%
Direct transaction costs~	0.02%	0.10%	0.00%
Prices			
Highest share price	287.10	354.00	393.90
Lowest share price	184.30	250.40	269.00

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Latin American Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class X - Accumulation			
Change in net assets per share			
Opening net asset value per share	273.38	308.23	396.61
Return before operating charges*	(4.21)	(33.32)	(87.54)
Operating charges	(1.30)	(1.53)	(0.84)
Return after operating charges*	(5.51)	(34.85)	(88.38)
Closing net asset value per share	267.87	273.38	308.23
Retained distributions on accumulation shares	6.79	8.16	9.22
*after direct transaction costs of:~	0.04	0.30	-
Performance			
Return after charges	(2.02%)	(11.31%)	(22.28%)
Other information			
Closing net asset value (£'000)	8	9	10
Closing number of shares	3,171	3,171	3,171
Operating charges#	0.54%	0.49%	0.26%
Direct transaction costs~	0.02%	0.10%	0.00%
Prices			
Highest share price	299.90	366.70	400.80
Lowest share price	194.20	261.10	277.00

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Prices for share class X are not published as this is an internal share class.

Latin American Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital losses	2		(638)		(1,571)
Revenue	3	269		415	
Expenses	4	(144)		(236)	
Interest payable and similar charges		-		-	
Net revenue before taxation		125		179	
Taxation	5	(22)		(33)	
Net revenue after taxation			103		146
Total return before distributions			(535)		(1,425)
Distributions	6		(103)		(146)
Change in net assets attributable to shareholders from investment activities			(638)		(1,571)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		9,538		13,424
Amounts receivable on creation of shares*	77		80	
Less: Amounts payable on cancellation of shares*	(2,015)		(2,525)	
		(1,938)		(2,445)
Dilution adjustment*		6		7
Change in net assets attributable to shareholders from investment activities		(638)		(1,571)
Retained distribution on accumulation shares		85		123
Closing net assets attributable to shareholders		7,053		9,538

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 68.

Notes to the Financial Statements are on pages 68 to 74.

Latin American Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	31/03/15 £000
Assets			
Investments		<u>6,994</u>	<u>9,485</u>
Current assets			
Debtors	7	28	177
Cash and bank balances		<u>78</u>	<u>142</u>
Total assets		<u>7,100</u>	<u>9,804</u>
Liabilities			
Creditors			
Other creditors	8	<u>(47)</u>	<u>(266)</u>
Total liabilities		<u>(47)</u>	<u>(266)</u>
Net assets attributable to shareholders		<u>7,053</u>	<u>9,538</u>

Notes to the Financial Statements are on pages 68 to 74.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £6,574 (31/03/15: £6,710) have been reclassified from 'Amounts receivable on creation of shares' of £178 (31/03/15: £81) and 'Amounts payable on cancellation of shares' of £6,396 (31/03/15: £6,629).

2. Net capital losses

The net capital losses during the year comprise:

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Non-derivative securities	(633)	(1,552)
Forward currency contracts	-	1
Currency gains/(losses)	1	(10)
Transaction charges	(7)	(10)
Dealing cost reimbursement*	1	-
Net capital losses	<u>(638)</u>	<u>(1,571)</u>

*Commissions refund on trades charged at Commission Sharing Agreement rates.

3. Revenue

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Overseas taxable revenue*	-	(3)
Overseas non-taxable revenue	161	217
Interest on capital#	107	200
Stock lending revenue	1	1
Total revenue	<u>269</u>	<u>415</u>

*Overseas taxable revenue includes currency gains or losses arising from the repatriation of foreign dividends therefore may be negative.

#Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions.

4. Expenses

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	110	185
Registration fees	7	12
	<u>117</u>	<u>197</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	1	1
Safe custody fees	9	15
	<u>10</u>	<u>16</u>
Other expenses:		
Audit fee	11	10
Other professional fees*	6	13
	<u>17</u>	<u>23</u>
Total expenses	<u>144</u>	<u>236</u>

Expenses include irrecoverable VAT where applicable.

*Other professional fees are in relation to Fokus Bank tax reclaim paid to Deloitte, Linklaters and other consultancies.

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	22	33
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	125	179
Corporation tax of 20% (2015: 20%)	25	36
Effects of:		
Overseas non-taxable revenue	(32)	(43)
Movement in excess management expenses	10	13
Irrecoverable overseas tax	22	33
Overseas tax expensed	(3)	(6)
Total tax charge for year (note 5a)	22	33

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £167,807 (31/03/15: £157,388) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Final	85	123
Add: Revenue deducted on cancellation of shares	19	24
Deduct: Revenue received on creation of shares	(1)	(1)
Net distributions for the year	103	146

Details of the distribution per share is set out in the Distribution Tables on page 75.

7. Debtors

	31/03/16 £000	31/03/15 £000
Sales awaiting settlement	15	152
Accrued revenue	13	25
Total debtors	28	177

8. Other creditors

	31/03/16 £000	31/03/15 £000
Amounts payable for cancellation of shares	15	220
Accrued expenses	32	46
Total other creditors	47	266

as at 31 March 2016

9. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £9,043 (31/03/15: £13,252) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	-	-

10. Share classes

The Fund has three share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class A - Accumulation:	1.50
Share Class B - Accumulation:	1.25
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 63 to 65.

The distributions per share class are given in the Distribution Tables on page 75.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening	Creations	Cancellations	Closing shares
	shares in issue			Shares converted
				in issue
Share Class A - Accumulation	3,540,865	25,850	(886,000)	-
Share Class B - Accumulation	188,221	12,500	(25,500)	-
Share Class X - Accumulation	3,171	-	-	-
Total	3,732,257	38,350	(911,500)	-
				2,859,107

11. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

12. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £nil (31/03/2015: £400,789). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £nil (31/03/2015: £418,496). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £1,718 (31/03/15: £747) and £431 (31/03/15: £187).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Deutsche Bank Securities	-	128
Morgan Stanley	-	259
Nomura Securities International	-	14
Total securities on loan	-	401
	31/03/16	31/03/15
	£000	£000
Collateral held		
Cash	-	418

13. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 58. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A significant proportion of the Fund's financial assets and liabilities are denominated overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Latin American Fund would have been an increase or decrease of approximately £70,236 (31/03/15: £96,635).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/03/16	Currency exposure 31/03/15
	£000	£000
Currency		
Brazilian real	4,091	5,746
Chilean peso	504	631
Colombian peso	211	296
Mexican peso	992	1,291
Peruvian Nouveau sol	74	-
US dollar	1,152	1,699
Total	7,024	9,663

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

as at 31 March 2016

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

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

The Fund's net cash holding of £78,187 (31/03/15: holding £142,003) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

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

The Fund did not have any long term financial liabilities.

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	1,718	747
Direct operational costs and fees incurred	(345)	(150)
Indirect operational costs and fees incurred	(86)	(37)
Net revenue generated for Fund during the annual accounting period	<u>1,287</u>	<u>560</u>

Counterparties to financial derivative instruments and efficient portfolio management technique as at 31 March 2016

The Fund had no uncollateralised counterparty exposure at the year end as no derivative positions were held.

Collateral as at 31 March 2016

No collateral received.

(c) Liquidity risk

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

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

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

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

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £69,943 (31/03/15: £94,847).

(e) Credit risk

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

as at 31 March 2016

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16	01/04/14 to 31/03/15	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000	£000	£000
Equities	575	8,990	2,431	11,220
Trades in the year before transaction costs	575	8,990	2,431	11,220
Commissions				
Equities	1	5	(2)	(5)
Taxes				
Equities	-	2	-	(2)
Total costs	1	7	(2)	(7)
Total net trades in the year after transaction costs	576	8,997	2,429	11,213

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/04/15 to 31/03/16	01/04/14 to 31/03/15	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	%	%	%	%
Commissions				
Equities	0.17	0.06	0.08	0.04
Taxes				
Equities	-	0.02	-	0.02

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

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	%	%
Commissions (%) - Purchases	0.01	0.05
Taxes (%) - Purchases	-	0.02
Commissions (%) - Sales	0.03	0.05
Taxes (%) - Sales	-	0.02

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equity securities, broker commissions and transfer taxes may be paid on each transaction.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.35% (31/03/2015: 0.33%).

as at 31 March 2016

15. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	6,994	-	9,485	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>6,994</u>	<u>-</u>	<u>9,485</u>	<u>-</u>

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

16. Subsequent events

As at the balance sheet date the Net Asset Value per share (at sub-fund level) was 247.12p. The Net Asset Value per share was 310.11p on 28 July 2016. This represents an increase of 25.49% from the year end value. This increase is a result of market fluctuations.

Latin American Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 April 2015

Group 2 Final Shares purchased on or between 1 April 2015 and 31 March 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	2.9165	-	2.9165	3.2420
Group 2	(p)	(p)	(p)	(p)
Final	0.9689	1.9476	2.9165	3.2420

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	3.5758	-	3.5758	4.0785
Group 2	(p)	(p)	(p)	(p)
Final	3.0132	0.5626	3.5758	4.0785

Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Final	6.7902	-	6.7902	8.1583

There are no group 1 units as at 31 March 2016 for Share Class X - Accumulation.

Corporate shareholder information (unaudited) for all share classes

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

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

Overseas Fixed Interest Tracker Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a total return based on the performance of the overseas fixed interest market as represented by the JP Morgan Global Government Bond (non UK) Traded Index (or such similar Index as the ACD shall consider appropriate) by investment in a portfolio which will primarily consist of overseas government fixed interest securities.

The objective of the Fund is to be achieved by investing in a portfolio of overseas government fixed interest securities, other overseas fixed interest securities and other investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest. The ACD will normally use a range of recognised indexation techniques to achieve the objective of tracking the JP Morgan Global Government Bond (non UK) Traded Index. In so doing, the ACD may use discretion in deciding which investments included in the said Index are to be included in the portfolio. The number of investments so included may vary and this may result in only a small number of such investments being included in the portfolio. The ACD reserves the right to exercise the full powers of the Fund in relation to borrowing and efficient portfolio management as and when it considers that the circumstances which then exist make it appropriate to do so.

If the said Index is replaced by a successor Index using (in the opinion of the ACD) the same or a substantially similar formula for (and method of) calculating the said Index then the ACD shall be entitled to determine (at its entire discretion) that such successor Index will be from the date of such determination substituted for the JP Morgan Global Government Bond (non UK) Traded Index for the purposes of the investment objective and policy of the Fund.

Note: Being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes. The use of derivatives for this scheme type is restricted to efficient portfolio management.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>						
	<p>Typically higher rewards, higher risks</p> <p>→</p>						
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
Overseas Fixed Interest Tracker Fund I Accumulation	8.54	7.17	(9.21)	3.85	4.96
Global Bonds Sector Average Return	3.38	6.00	(3.61)	9.06	3.66
JP Morgan Global Government Bond (non UK) Traded Index	9.81	7.60	(8.49)	4.49	5.39
Realised Tracking Error†	0.09	0.09	0.13	0.10	n/a
Anticipated Tracking Error*	0.00-0.40	0.00-0.40	0.00-0.40	n/a	n/a

Source: Lipper for Overseas Fixed Interest Tracker Fund and Global Bonds Sector Average Return (funds which invest at least 80% of their assets in fixed interest securities. All funds which contain more than 80% fixed interest investments are to be classified under this heading regardless of the fact that they may have more than 80% in a particular geographic sector, unless that geographic area is the UK, when the fund should be classified under the relevant UK (Sterling) heading).

Basis: Net revenue reinvested and net of expenses.

Source: Datastream for JP Morgan Global Government Bond (non UK) Traded Index (GBP). Basis: Gross Revenue reinvested and gross of expenses.

†The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period.

*The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0-0.4%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark.

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

The past twelve months have been a volatile period for global asset markets amid a weak global economic backdrop, falling commodity prices and divergent central bank policy.

In the US, solid economic data, particularly in the labour market, prompted the US Federal Reserve (Fed) to signal that they would begin policy normalisation. The market 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 when compared with previous tightening cycles as the committee were able to emphasise a gradual path of rate hikes. However, markets became far more volatile in early 2016 prompting Fed rhetoric to turn increasingly dovish.

In Europe, falling inflation expectations and softer economic data led the European Central Bank (ECB) to ease several times. The December meeting seemed to underwhelm market participants with regards to the package announced; while the March meeting exceeded expectations by cutting the deposit rate by 10 basis points and extending quantitative easing.

The Bank of Japan (BoJ) unexpectedly cut its policy rate to (0.1)% in January. The negative rate applies only to new reserves. Now that the rate has crossed into negative territory, the bar for further cuts has probably been lowered although adverse market sentiment around negative rates may discourage further cuts.

China was a continued source of volatility as its economy attempts to rebalance away from the export sector. Currency devaluation in August triggered a significant market sell-off. Policy makers responded by cutting the reserve requirement ratio several times to inject more liquidity into the system. The economy seems to have stabilised and market fears about a disordered slowdown have (perhaps temporarily) subsided.

The 10-year US Treasury yield ended March at 1.78%. Meanwhile, the yield on the 10-year German Bund was 0.16% and the 10-year UK Gilt yield stood at 1.42%.

The Overseas Fixed Interest Tracker Fund delivered a net return of 8.54% in the 12 months to 31 March 2016. Over the period, the Fund has tracked the JP Morgan Global Government Bond (excluding UK) index, which returned 9.81%. Sampling techniques are used to match country exposure and duration (the sensitivity of a bond to changes in interest rates).

Our global GDP (gross domestic product) forecast remains unchanged at 3.0% in 2016 and 3.5% in 2017. The rally in financial markets since mid-February is one factor supporting the global economic outlook. This rally appears to have been driven by a dovish US Federal Reserve, monetary policy easing in the Eurozone, and some positive surprises in the incoming economic data.

But other economic signals are mixed. World trade growth remains subdued, the employment sub-indices of the US ISM surveys have declined, and surveys of Japanese investment intentions have weakened. Further monetary policy stimulus in Japan, the Eurozone and China remains a possibility, while interest rate hikes in the US and UK are likely to be very gradual.

Overseas Fixed Interest Tracker Fund

Portfolio Statement

as at 31 March 2016

	Nominal Values	Market Value £000	Total Net Assets %
AUSTRALIA (1.27%*)		1,702	1.37
Australia Government Bond 4.5% 15/04/2020	AUD2,065,000	1,209	0.97
Australia Government Bond 4.25% 21/04/2026	AUD800,000	493	0.40
BELGIUM (1.98%*)		2,489	2.01
Belgium Government Bond 1.25% 22/06/2018	EUR2,120,000	1,737	1.40
Belgium Government Bond 4.5% 28/03/2026	EUR680,000	752	0.61
CANADA (1.39%*)		1,598	1.29
Canadian Government Bond 0.75% 01/09/2020	CAD1,400,000	756	0.61
Canadian Government Bond 5.75% 01/06/2033	CAD997,000	842	0.68
DENMARK (0.52%*)		600	0.48
Denmark Government Bond 3% 15/11/2021	DKK4,829,000	600	0.48
FRANCE (7.08%*)		9,342	7.52
France Government Bond 3.25% 25/10/2021	EUR1,958,000	1,838	1.48
France Government Bond 3% 25/04/2022	EUR3,354,000	3,143	2.53
France Government Bond 6% 25/10/2025	EUR615,000	747	0.60
France Government Bond 5.5% 25/04/2029	EUR2,508,000	3,159	2.54
France Government Bond 4.5% 25/04/2041	EUR340,000	455	0.37
GERMANY (5.75%*)		7,122	5.74
Bundesobligation 0.5% 23/02/2018	EUR5,795,000	4,662	3.75
Bundesobligation 0.25% 16/10/2020	EUR1,510,000	1,227	0.99
Bundesrepublik Deutschland 1.5% 15/05/2024	EUR1,236,500	1,103	0.89
Bundesrepublik Deutschland 4% 04/01/2037	EUR100,000	130	0.11
ITALY (7.42%*)		9,480	7.63
Italy Buoni Poliennali Del Tesoro 4% 01/09/2020	EUR519,000	477	0.38
Italy Buoni Poliennali Del Tesoro 3.75% 01/03/2021	EUR1,576,000	1,450	1.17
Italy Buoni Poliennali Del Tesoro 3.75% 01/08/2021	EUR1,790,000	1,661	1.34
Italy Buoni Poliennali Del Tesoro 4.75% 01/09/2021	EUR1,985,000	1,929	1.55
Italy Buoni Poliennali Del Tesoro 2.5% 01/12/2024	EUR2,030,000	1,788	1.44
Italy Buoni Poliennali Del Tesoro 3.5% 01/03/2030	EUR734,000	713	0.57
Italy Buoni Poliennali Del Tesoro 4.75% 01/09/2044	EUR1,230,000	1,462	1.18
JAPAN (23.65%*)		29,699	23.92
Japan Government Ten Year Bond 1.8% 20/06/2018	JPY243,000,000	1,574	1.27
Japan Government Ten Year Bond 1.4% 20/09/2019	JPY1,239,000,000	8,107	6.53
Japan Government Ten Year Bond 1.3% 20/03/2021	JPY270,000,000	1,801	1.45
Japan Government Ten Year Bond 0.8% 20/12/2022	JPY327,000,000	2,165	1.74
Japan Government Twenty Year Bond 2.1% 20/09/2024	JPY337,100,000	2,491	2.01
Japan Government Twenty Year Bond 2% 20/09/2025	JPY216,500,000	1,609	1.30
Japan Government Twenty Year Bond 2.1% 20/12/2026	JPY289,000,000	2,198	1.77
Japan Government Twenty Year Bond 1.9% 20/12/2028	JPY228,800,000	1,751	1.41
Japan Government Twenty Year Bond 1.2% 20/03/2035	JPY375,000,000	2,647	2.13
Japan Government Twenty Year Bond 1% 20/12/2035	JPY50,000,000	341	0.27
Japan Government Thirty Year Bond 2.5% 20/09/2036	JPY338,000,000	2,926	2.36
Japan Government Forty Year Bond 1.9% 20/03/2053	JPY236,500,000	2,089	1.68
NETHERLANDS (2.10%*)		2,437	1.96
Netherlands Government Bond 3.75% 15/01/2042	EUR1,850,000	2,437	1.96
SPAIN (3.96%*)		5,064	4.08
Spain Government Bond 5.5% 30/07/2017	EUR2,100,000	1,780	1.43
Spain Government Bond 2.75% 31/10/2024	EUR964,000	853	0.69
Spain Government Bond 5.75% 30/07/2032	EUR2,022,000	2,431	1.96

Overseas Fixed Interest Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Nominal Values	Market Value £000	Total Net Assets %
SWEDEN (0.39%*)		480	0.39
Sweden Government Bond 3.5% 30/03/2039	SEK4,130,000	480	0.39
UNITED STATES (43.51%*)		53,125	42.78
US Treasury Note 0.5% 31/07/2017	USD7,534,800	5,241	4.22
US Treasury Note 0.625% 30/11/2017	USD5,750,000	4,002	3.22
US Treasury Note 1.5% 31/08/2018	USD6,700,000	4,748	3.82
US Treasury Note 3.75% 15/11/2018	USD7,550,000	5,665	4.56
US Treasury Note 1% 30/11/2019	USD8,633,500	6,010	4.84
US Treasury Note 1.875% 30/06/2020	USD4,740,000	3,401	2.74
US Treasury Note 3.625% 15/02/2021	USD85,000	66	0.05
US Treasury Note 1.75% 15/05/2022	USD13,935,500	9,862	7.94
US Treasury Note 2.375% 15/08/2024	USD3,364,000	2,464	1.99
US Treasury Note 2% 15/02/2025	USD3,210,000	2,280	1.84
US Treasury Note 4.25% 15/05/2039	USD4,583,000	4,211	3.39
US Treasury Note 2.75% 15/11/2042	USD5,320,000	3,806	3.07
US Treasury Note 2.875% 15/08/2045	USD1,875,000	1,369	1.10
Portfolio of investments		123,138	99.17
Net other assets		1,031	0.83
Total net assets		124,169	100.00

All holdings are admitted to official stock exchange listings unless otherwise stated.

* Comparative figures shown in brackets relate to 31 March 2015.

Overseas Fixed Interest Tracker Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
US Treasury Note 1.5% 31/08/2018	4,787	Japan Government Ten Year Bond 1.7% 20/03/2017	7,723
Bundesobligation 0.5% 23/02/2018	3,385	US Treasury Note 0.5% 31/07/2017	5,326
Japan Government Ten Year Bond 1.4% 20/09/2019	3,366	US Treasury Bond 7.25% 15/05/2016	4,277
US Treasury Note 0.625% 15/10/2016	3,356	US Treasury Note 0.625% 15/10/2016	3,407
US Treasury Note 0.5% 31/07/2017	3,236	Germany Coupons Bond 1.25% 14/10/2016	3,401
US Treasury Note 1.875% 30/06/2020	3,145	Japan Government Thirty Year Bond 2.5% 20/09/2036	2,753
US Treasury Note 2% 15/02/2025	2,083	US Treasury Note 3.75% 15/11/2018	2,202
Japan Government Twenty Year Bond 1.2% 20/03/2035	2,058	Japan Government Ten Year Bond 0.8% 20/12/2022	1,935
Japan Government Ten Year Bond 1.3% 20/03/2021	1,803	Spain Government Bonds 4.25% 31/10/2016	1,891
Spain Government Bond 5.5% 30/07/2017	1,701	Belgium Government Bonds 3.25% 28/09/2016	1,782

Overseas Fixed Interest Tracker Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Accumulation			
Change in net assets per share			
Opening net asset value per share	183.81	171.53	188.96
Return before operating charges*	16.77	13.38	(16.31)
Operating charges	(1.13)	(1.10)	(1.12)
Return after operating charges*	15.64	12.28	(17.43)
Closing net asset value per share	199.45	183.81	171.53
Retained distributions on accumulation shares	1.30	1.19	1.45
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges^	8.51%	7.16%	(9.22%)
Other information			
Closing net asset value (£'000)	2,474	2,594	109,073
Closing number of shares	1,240,627	1,411,027	63,589,699
Operating charges#	0.63%	0.63%	0.63%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	202.40	185.30	190.30
Lowest share price	168.00	168.60	167.80

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

Overseas Fixed Interest Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Income			
Change in net assets per share			
Opening net asset value per share	137.49	129.17	143.47
Return before operating charges*	12.44	10.04	(12.32)
Operating charges	(0.82)	(0.82)	(0.86)
Return after operating charges*	11.62	9.22	(13.18)
Distributions on income shares	(0.98)	(0.90)	(1.12)
Closing net asset value per share	148.13	137.49	129.17
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges	8.45%	7.14%	(9.19%)
Other information			
Closing net asset value (£'000)	12	11	21
Closing number of shares	8,119	8,119	16,119
Operating charges#	0.61%	0.62%	0.64%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	150.60	138.80	144.50
Lowest share price	125.70	126.70	126.60

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Overseas Fixed Interest Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)
Share Class W - Gross Accumulation		
Change in net assets per share		
Opening net asset value per share	108.07	100.00
Return before operating charges*	10.13	8.20
Operating charges	(0.14)	(0.13)
Return after operating charges*	9.99	8.07
Closing net asset value per share	118.06	108.07
Retained distributions on accumulation shares	1.49	1.39
*after direct transaction costs of:~	-	-
Performance		
Return after charges	9.24%	8.07%
Other information		
Closing net asset value (£'000)	121,683	105,648
Closing number of shares	103,065,687	97,758,187
Operating charges#	0.13%	0.13%
Direct transaction costs~	0.00%	0.00%
Prices		
Highest share price	119.80	108.80
Lowest share price	98.92	98.61

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched 1 April 2014.

Overseas Fixed Interest Tracker Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital gains	2		9,429		6,972
Revenue	3	1,680		1,618	
Expenses	4	(151)		(156)	
Interest payable and similar charges		-		-	
Net revenue before taxation		1,529		1,462	
Taxation	5	-		-	
Net revenue after taxation			1,529		1,462
Total return before distributions			10,958		8,434
Distributions	6		(1,529)		(1,461)
Change in net assets attributable to shareholders from investment activities			9,429		6,973

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		108,253		109,094
Amounts receivable on creation of shares	10,684		124	
Less: Amounts payable on cancellation of shares	(5,733)		(9,389)	
		4,951		(9,265)
Change in net assets attributable to shareholders from investment activities		9,429		6,973
Retained distribution on accumulation shares		1,536		1,451
Closing net assets attributable to shareholders		124,169		108,253

Notes to the Financial Statements are on pages 86 to 92.

Overseas Fixed Interest Tracker Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	Restated 31/03/15 £000
Assets			
Fixed assets			
Investments		<u>123,138</u>	<u>107,190</u>
Current assets			
Debtors	8	830	841
Cash and bank balances		<u>234</u>	<u>257</u>
Total assets		<u>124,202</u>	<u>108,288</u>
Liabilities			
Creditors			
Distribution payable*		(2)	(2)
Other creditors*	9	<u>(31)</u>	<u>(33)</u>
Total liabilities		<u>(33)</u>	<u>(35)</u>
Net assets attributable to shareholders		<u>124,169</u>	<u>108,253</u>

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 86.

Notes to the Financial Statements are on pages 86 to 92.

Overseas Fixed Interest Tracker Fund

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £290 (31/03/15: £397) have been reclassified from 'Amounts receivable on creation of shares' of £124 (31/03/15: £25) and 'Amounts payable on cancellation of shares' of £166 (31/03/15: £372).

'Income tax payable' totalling £2,228 (31/03/15: £1,823) has been reclassified from 'Other creditors' to 'Distribution payable'.

2. Net capital gains

The net capital gains during the year comprise:

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Non-derivative securities	9,390	6,904
Forward currency contracts	106	-
Currency (losses)/gains	(66)	71
Transaction charges	(1)	(3)
Net capital gains	<u>9,429</u>	<u>6,972</u>

3. Revenue

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Interest on debt securities	1,599	1,532
Stock lending revenue	81	86
Total revenue	<u>1,680</u>	<u>1,618</u>

4. Expenses

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	12	16
Registration fees	109	109
	<u>121</u>	<u>125</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	10	9
Safe custody fees	9	11
	<u>19</u>	<u>20</u>
Other expenses:		
Audit fee	11	11
Total expenses	<u>151</u>	<u>156</u>

Expenses include irrecoverable VAT where applicable.

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
--	---------------------------------	---------------------------------

(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

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

Net revenue before taxation	1,529	1,462
Corporation tax of 20% (2015: 20%)	306	292
Effects of:		
Tax deductible interest distributions	(306)	(292)
Total tax charge for year	-	-

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
First interim	304	346
Second interim	383	356
Third interim	400	402
Final	449	348
Income tax withheld*	4	6
	1,540	1,458
Add: Revenue deducted on cancellation of shares	1	3
Deduct: Revenue received on creation of shares	(12)	-
Net distributions for the year	1,529	1,461

*Relates to share class I Accumulation and I Income.

Details of the distributions per share are set out in the Distribution Tables on page 93.

7. Movement between net revenue and net distributions

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Net revenue after taxation	1,529	1,462
Movement in net income as a result of conversions	-	(1)
Net distributions for the year	1,529	1,461

8. Debtors

	31/03/16 £000	31/03/15 £000
Amounts receivable for issue of shares	-	9
Accrued revenue	830	832
Total debtors	830	841

as at 31 March 2016

9. Other creditors

	31/03/16	31/03/15
	£000	£000
Accrued expenses	31	33
Total other creditors	<u>31</u>	<u>33</u>

10. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £11,543 (31/03/15: £10,129) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	99.27	99.46

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class I - Accumulation:	0.50
Share Class I - Income:	0.50
Share Class W - Gross Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 81 to 83.

The distributions per share class are given in the Distribution Tables on page 93.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening	Creations	Cancellations	Closing shares
	shares in issue			Shares converted in issue
Share Class I - Accumulation	1,411,027	169,600	(340,000)	1,240,627
Share Class I - Income	8,119	-	-	8,119
Share Class W - Gross Accumulation	97,758,187	10,062,000	(4,754,500)	103,065,687
Total	<u>99,177,333</u>	<u>10,231,600</u>	<u>(5,094,500)</u>	<u>104,314,433</u>

12. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

13. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £26,794,549 (31/03/2015: £34,222,954). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £29,451,822 (31/03/2015: £37,049,575). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £108,168 (31/03/15: £114,891) and £27,044 (31/03/15: £28,723).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Credit Suisse Securities (Europe)	21,120	22,979
Deutsche Bank	2,430	885
ING Bank	246	243
Morgan Stanley International	1,087	9,190
Societe Generale	709	-
UBS	1,203	926
Total securities on loan	<u>26,795</u>	<u>34,223</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	11,060	37,050
Equities	18,392	-
Total collateral held	<u>29,452</u>	<u>37,050</u>

14. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 76. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A significant proportion of the Fund's financial assets and liabilities are denominated overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Overseas Fixed Interest Tracker Fund would have been an increase or decrease of approximately £1,241,642 (31/03/15: £1,082,573).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/03/16	Currency exposure 31/03/15
	£000	£000
Currency		
Australian dollar	1,735	1,395
Canadian dollar	1,612	1,559
Danish krone	606	569
Euro	36,485	31,071
Japanese yen	29,764	25,662
Swedish krona	493	435
US dollar	53,469	47,566
Total	<u>124,164</u>	<u>108,257</u>

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

Overseas Fixed Interest Tracker Fund

Notes to the Financial Statements

(continued)

as at 31 March 2016

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

The Fund receives revenue from holdings in fixed interest investments. Given that the Fund's objective is to provide a total return based on the performance of the overseas fixed interest market, these cashflows are considered to be of primary importance and are actively managed.

The interest rate risk profile of the company's financial assets and liabilities at 31 March was:

Currency	Floating rate	Floating rate	Net financial	Total
	financial	financial	(liabilities) not	
	assets	assets	carrying	
	£000	£000	interest	£000
			£000	
31/03/16				
Sterling	38	-	(33)	5
Australian dollar	2	1,702	31	1,735
Canadian dollar	3	1,598	11	1,612
Danish krone	1	600	5	606
Euro	111	35,934	440	36,485
Japanese yen	24	29,699	41	29,764
Swedish krona	13	480	-	493
US dollar	42	53,125	302	53,469
Total	234	123,138	797	124,169
31/03/15				
Sterling	22	-	(26)	(4)
Australian dollar	-	1,369	26	1,395
Canadian dollar	46	1,503	10	1,559
Danish krone	-	563	6	569
Euro	79	30,621	371	31,071
Japanese yen	36	25,594	32	25,662
Swedish krona	10	426	(1)	435
US dollar	64	47,114	388	47,566
Total	257	107,190	806	108,253

The Fund's net cash holding of £234,383 (31/03/15: holding £257,168) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

As at 31 March 2016, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Overseas Fixed Interest Tracker Fund would have been an increase or decrease of approximately £307,844 (31/03/15: £267,975).

Efficient portfolio management techniques

	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	108,168	114,891
Direct operational costs and fees incurred	(21,635)	(22,978)
Indirect operational costs and fees incurred	(5,409)	(5,745)
Net revenue generated for Fund during the annual accounting period	81,124	86,168

Counterparties to financial derivative instruments and efficient portfolio management technique as at 31 March 2016

The Fund had no uncollateralised counterparty exposure at the year end as no derivative positions were held.

Collateral as at 31 March 2016

No collateral received.

as at 31 March 2016

(c) Liquidity risk

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

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

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

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

The Fund invests principally in fixed interest securities. The value of fixed interest securities is not fixed and may go down as well as up. Any change to the interest rates relevant for the particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. Changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

Debt security credit analysis

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Investment grade	123,138	107,190

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £1,231,377 (31/03/15: £1,071,899).

(e) Credit risk

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

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16	01/04/14 to 31/03/15	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000	£000	£000
Fixed Income*	50,074	44,343	42,805	51,310
Total net trades in the year after transaction costs	50,074	44,343	42,805	51,310

*These types of transaction do not attract direct portfolio transaction costs.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.14% (31/03/2015: 0.08%).

as at 31 March 2016

16. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	110,366	-	96,131	-
Level 2	12,772	-	11,059	-
Level 3	-	-	-	-
Total fair value	123,138	-	107,190	-

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

17. Subsequent events

As at the balance sheet date the Net Asset Value per share (at sub-fund level) was 119.12p. The Net Asset Value per share was 134.34p on 28 July 2016. This represents an increase of 12.78% from the year end value. This increase is a result of market fluctuations.

Overseas Fixed Interest Tracker Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 1 April 2015
 Second interim Shares purchased prior to 1 July 2015
 Third interim Shares purchased prior to 1 October 2015
 Final Shares purchased prior to 1 January 2016
- Group 2 First interim Shares purchased on or between 1 April 2015 and 30 June 2015
 Second interim Shares purchased on or between 1 July 2015 and 30 September 2015
 Third interim Shares purchased on or between 1 October 2015 and 31 December 2015
 Final Shares purchased on or between 1 January 2016 and 31 March 2016

Share Class I - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3039	0.0608	0.2431	-	0.2431	0.2764
Second interim	0.4379	0.0876	0.3503	-	0.3503	0.2820
Third interim	0.4008	0.0802	0.3206	-	0.3206	0.3342
Final	0.4869	0.0974	0.3895	-	0.3895	0.3006
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2031	0.0406	0.1625	0.0806	0.2431	0.2764
Second interim	0.3033	0.0607	0.2426	0.1077	0.3503	0.2820
Third interim	0.3649	0.0730	0.2919	0.0287	0.3206	0.3342
Final	0.4233	0.0847	0.3386	0.0509	0.3895	0.3006

Share Class I - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2283	0.0457	0.1826	-	0.1826	0.2089
Second interim	0.3341	0.0668	0.2673	-	0.2673	-
Third interim	0.3001	0.0600	0.2401	-	0.2401	-
Final	0.3645	0.0729	0.2916	-	0.2916	0.2237
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2283	0.0457	0.1826	-	0.1826	0.2089
Second interim	0.3341	0.0668	0.2673	-	0.2673	0.2164
Third interim	0.3001	0.0600	0.2401	-	0.2401	0.2539
Final	0.3645	0.0729	0.2916	-	0.2916	0.2237

Share Class W - Gross Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3076	-	0.3076	-	0.3076	0.3236
Second interim	0.3863	-	0.3863	-	0.3863	0.3337
Third interim	0.3680	-	0.3680	-	0.3680	0.3765
Final	0.4305	-	0.4305	-	0.4305	0.3520
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2061	-	0.2061	0.1015	0.3076	0.3236
Second interim	0.2321	-	0.2321	0.1542	0.3863	0.3337
Third interim	0.2513	-	0.2513	0.1167	0.3680	0.3765
Final	0.1755	-	0.1755	0.2550	0.4305	0.3520

UK All Share Tracker Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a return based on the performance of the UK Equity Market as represented by the FTSE All Share Index (or such other similar index as the ACD shall consider to be appropriate) by investment in a portfolio which will primarily consist of equities.

The objective of the Fund is to be achieved by investing in a portfolio of equities, bonds, and other investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest. The ACD will normally use various sampling techniques to achieve the objective of tracking the FTSE All Share Index. In so doing, the ACD may use discretion in deciding which investments are to be included in the portfolio.

If the said Index is replaced by a successor Index using (in the opinion of the ACD) the same or a substantially similar formula for (and method of) calculating the said Index then the ACD shall be entitled to determine (at its entire discretion) that such successor Index will be from the date of such determination substituted for the FTSE All Share Index for the purposes of the investment objective and policy of the Fund.

Note: Being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes. The use of derivatives for this scheme type is restricted to efficient portfolio management.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	Typically lower rewards, lower risks			Typically higher rewards, higher risks			
	←					→	
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
UK All Share Tracker Fund I Accumulation	(4.63)	7.64	8.38	16.75	0.54
UK All Companies Sector Average Return	(2.60)	5.74	14.03	17.47	0.39
FTSE All-Share Index	(3.92)	6.57	8.81	16.77	1.39
Realised Tracking Error†	0.05	0.07	0.11	0.10	n/a
Anticipated Tracking Error*	0.00-0.20	0.00-0.20	0.00-0.20	n/a	n/a

Source: Lipper for UK All Share Tracker Fund and UK All Companies Sector Average Return (funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth). Basis: Net revenue reinvested and net of expenses.

Source: Rimes for the FTSE All-Share Index (GBP). Basis: Gross revenue reinvested and gross of expenses.

†The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period.

*The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0-0.2%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark.

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.

UK equity markets were down over the 12 month review period. Weakness in energy and commodity prices had a negative influence throughout 2015 because of the large number of global oil and mining companies that are listed in the UK. At the sector level, basic materials and financials were among the worst performers. In contrast, consumer goods and technology did well.

Investment Review (continued)

In November, the Bank of England highlighted that the prospect of sustained inflation is remote and that the problems being faced by China and other developing economies could lead to the UK's recovery fizzling out. Accordingly, interest rates were once more held at 0.5%.

But in the US, the Federal Reserve has started the process of raising interest rates for the first time since the onset of the financial crisis. Investors had also been nervous ahead of the Federal Reserve's December rate-setting meeting. When rates were eventually raised, the move was taken as an expression of confidence in the strength of the US economy. While stock markets across the world recovered some of their previous losses from earlier in 2015, the UK market nevertheless finished slightly lower over December.

The possibility that the UK might leave the European Union (or 'Brexit' as it has become known in the media) was the most-talked-about topic in recent months. The date of the referendum was announced as 23 June, prompting several politicians to announce whether they would be campaigning for the UK to remain in or leave the 28-nation bloc.

Chancellor George Osborne announced his latest budget in March. This was always likely to be a relatively subdued affair ahead of the referendum and contained little of material influence at a macro-economic level.

In terms of activity and composition, the Fund continued to mirror the FTSE All-Share Index. We therefore periodically rebalanced its holdings in accordance with the changes that index provider FTSE made at its quarterly reviews.

Over the period, the top performers in the FTSE All-Share Index included JD Sports Fashion, Darty, McBride, Sanne Group and FDM Group. In contrast, among the worst performers were Lonmin, Cambian Group, Johnston Press, Premier Oil and Nanoco Group.

The UK economy appears to have had more momentum entering 2016 than previously thought, with upward revisions to gross domestic product (GDP) growth in 2015 Q4 (to 0.6% from 0.5%) and earlier quarters. Behind the headline GDP figures, however, the economy remains unbalanced. The current account deficit widened to a record 7% of GDP in 2015 Q4, reflecting a sharp drop in returns on investment abroad.

Aberdeen Asset Investments Limited

April 2016

UK All Share Tracker Fund

Portfolio Statement

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (6.71%*)		337,183	4.83
Chemicals			
Carclo	263,471	329	0.00
Croda International	462,335	14,083	0.20
Elementis	1,572,015	3,798	0.05
Johnson Matthey	663,753	18,134	0.26
Synthomer	929,458	3,405	0.05
Victrex	275,748	4,602	0.07
Forestry & Paper			
Mondi	1,259,458	17,003	0.24
Industrial Metals & Mining			
Evraz	1,698,971	1,521	0.02
Ferrexpo	757,399	203	0.00
Mining			
Acacia Mining	538,377	1,427	0.02
Anglo American	4,481,293	24,006	0.34
Antofagasta	1,217,117	5,717	0.08
Aquarius Platinum	5,161,851	684	0.01
BHP Billiton	7,243,496	57,477	0.82
Centamin	3,705,029	3,247	0.05
Fresnillo	581,242	5,452	0.08
Gem Diamonds	514,925	554	0.01
Glencore	39,988,117	60,582	0.87
Hochschild Mining	1,090,987	976	0.01
KAZ Minerals	983,856	1,624	0.02
Lonmin	1,013,034	1,271	0.02
Petra Diamonds	1,819,443	1,879	0.03
Petropavlovsk	6,068,582	426	0.01
Polymetal International	880,411	6,022	0.09
Randgold Resources	318,415	19,996	0.29
Rio Tinto	4,130,482	81,474	1.17
Vedanta Resources	387,184	1,291	0.02
CONSUMER GOODS (14.41%*#)		1,209,086	17.36
Automobiles & Parts			
GKN	5,877,295	17,262	0.25
Beverages			
A.G.Barr	301,428	1,596	0.02
Britvic	858,902	6,145	0.09
Coca-Cola HBC	676,955	10,168	0.15
Diageo	8,638,143	163,736	2.35
SABMiller	3,242,198	138,085	1.98
Stock Spirits	834,925	1,238	0.02

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Food Producers			
Anglo-Eastern Plantations	32,906	174	0.00
Associated British Foods	1,195,148	40,253	0.58
Carr's Milling Industries	168,390	261	0.00
Cranswick	170,050	3,646	0.05
Dairy Crest	475,468	2,946	0.04
Devro	584,113	1,704	0.02
Greencore	1,407,769	5,292	0.08
Hilton Food	187,674	931	0.01
Premier Foods	2,721,955	1,606	0.02
Tate & Lyle	1,598,086	9,221	0.13
Household Goods & Home Construction			
Barratt Developments	3,415,131	19,466	0.28
Bellway	419,029	10,924	0.16
Berkeley	431,723	14,035	0.20
Bovis Homes	461,689	4,340	0.06
Crest Nicholson	836,411	4,680	0.07
Galliford Try	279,625	4,015	0.06
Headlam	322,168	1,661	0.02
McBride	789,545	1,281	0.02
McCarthy & Stone	777,526	1,977	0.03
MJ Gleeson	102,381	609	0.01
Persimmon	1,048,978	22,039	0.32
Reckitt Benckiser	2,148,058	145,445	2.09
Redrow	752,997	3,081	0.04
Taylor Wimpey	11,079,420	21,128	0.30
Leisure Goods			
Games Workshop	115,279	560	0.01
Photo-Me International	639,643	1,155	0.02
Personal Goods			
Burberry	1,519,383	20,816	0.30
Jimmy Choo	386,992	500	0.01
PZ Cussons	1,035,951	3,189	0.05
SuperGroup	113,869	1,619	0.02
Ted Baker	90,364	2,468	0.04
Unilever	4,137,644	131,970	1.89
Tobacco			
British American Tobacco	6,392,784	260,506	3.74
Imperial Tobacco	3,304,130	127,358	1.83
CONSUMER SERVICES (11.75%*)		890,457	12.80
Food & Drug Retailers			
Booker	5,633,077	9,497	0.14
Greggs	347,925	3,803	0.05
J Sainsbury	4,843,237	13,600	0.19
Ocado	1,384,923	4,079	0.06
Tesco	27,858,507	53,976	0.77
WM Morrison Supermarkets	7,422,876	15,002	0.22

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
General Retailers			
AA	2,078,180	5,603	0.08
AO World	627,535	1,067	0.02
B&M European Value Retail	2,332,161	6,169	0.09
Card Factory	799,665	2,646	0.04
Carpetright	100,033	333	0.00
Darty	1,396,517	1,815	0.03
Debenhams	4,204,098	3,080	0.04
DFS Furniture	452,696	1,416	0.02
Dignity	168,629	4,216	0.06
Dixons Carphone	3,412,109	14,587	0.21
Dunelm	314,024	2,825	0.04
Findel	340,837	664	0.01
GAME Digital	77,529	99	0.00
Halfords	688,273	2,726	0.04
Home Retail	2,815,571	4,696	0.07
Inchcape	1,514,430	10,987	0.16
JD Sports Fashion	201,542	2,275	0.03
Just Eat	1,573,553	5,950	0.09
Kingfisher	7,998,867	30,188	0.43
Laura Ashley	424,482	104	0.00
Lookers	1,111,404	1,805	0.03
Marks & Spencer	5,643,038	22,837	0.33
Mothercare	514,499	927	0.01
N Brown	535,097	1,748	0.03
Next	504,977	28,077	0.40
Pendragon	4,891,523	1,779	0.03
Pets at Home	1,251,757	3,378	0.05
Poundland	683,596	1,051	0.02
Saga	2,590,461	5,044	0.07
Sports Direct International	862,255	3,257	0.05
Topps Tiles	510,601	747	0.01
WH Smith	381,353	7,028	0.10
Media			
4imprint	104,628	1,313	0.02
Auto Trader	3,355,921	13,169	0.19
Bloomsbury Publishing	291,579	417	0.01
Centaur Media	475,887	228	0.00
Entertainment One	1,417,663	2,176	0.03
Euromoney Institutional Investor	136,394	1,337	0.02
Huntsworth	1,152,079	461	0.01
Informa	2,225,557	15,479	0.22
ITE	873,367	1,266	0.02
ITV	12,839,207	31,238	0.45
Johnston Press	526,301	211	0.00
Moneysupermarket.com	1,681,877	5,520	0.08

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Pearson	2,788,622	25,237	0.36
Perform**	197,937	0	0.00
RELX	3,836,947	50,072	0.72
Rightmove	314,755	13,374	0.19
Sky	3,596,297	37,150	0.53
Trinity Mirror	1,102,407	1,458	0.02
UBM	1,504,941	9,090	0.13
Wireless	152,640	259	0.00
WPP	4,444,758	72,627	1.04
Zoopla Property	808,243	2,030	0.03
Travel & Leisure			
Carnival	625,839	23,106	0.33
Cineworld	668,644	3,644	0.05
Compass	5,650,738	69,504	1.00
Domino's Pizza	466,780	4,738	0.07
easyJet	852,056	12,943	0.19
Enterprise Inns	1,829,611	1,756	0.03
FirstGroup	4,130,075	3,946	0.06
Flybe	562,820	355	0.01
Fuller Smith & Turner	109,884	1,154	0.02
Go-Ahead	146,213	3,876	0.06
Greene King	1,058,908	9,223	0.13
Hostelworld	268,014	641	0.01
InterContinental Hotels	810,716	22,887	0.33
International Consolidated Airlines	6,284,269	34,909	0.50
JD Wetherspoon	292,503	2,052	0.03
Ladbrokes	3,485,105	4,102	0.06
Marston's	1,963,893	2,977	0.04
Merlin Entertainments	2,433,788	11,171	0.16
Millennium & Copthorne Hotels	419,594	1,719	0.02
Mitchells & Butlers	809,047	2,203	0.03
National Express	1,446,154	4,902	0.07
Paddy Power Betfair	286,314	27,400	0.39
Playtech	719,084	6,206	0.09
Punch Taverns	357,493	332	0.00
Rank	607,313	1,565	0.02
Restaurant	683,780	2,665	0.04
SSP	1,612,732	4,653	0.07
Stagecoach	1,461,451	3,702	0.05
Thomas Cook	5,267,507	4,828	0.07
TUI	1,616,251	16,599	0.24
Whitbread	625,774	24,893	0.36
William Hill	3,025,158	9,989	0.14
Wizz Air	140,751	2,624	0.04

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
FINANCIALS (26.02%*)		1,689,220	24.15
Banks			
Aldermore	648,177	1,407	0.02
Barclays	57,435,004	87,100	1.25
BGEO	112,729	2,300	0.03
HSBC	66,931,563	292,524	4.19
Lehman Brothers**	256,866	0	0.00
Lloyds Banking†	219,515,471	148,810	2.13
Royal Bank of Scotland	11,114,142	24,862	0.36
Shawbrook	423,163	1,273	0.02
Standard Chartered	9,205,617	43,460	0.62
Virgin Money	792,647	2,933	0.04
Equity Investment Instruments			
3i Infrastructure	1,822,553	3,151	0.05
Aberdeen Asian Income Fund◊	702,852	1,128	0.02
Aberdeen Asian Smaller Companies Investment Trust◊	129,489	1,009	0.01
Aberdeen New Dawn Investment Trust◊	533,259	795	0.01
Aberdeen UK Tracker Trust◊	355,250	1,037	0.01
Aberforth Geared Income Trust	424,464	766	0.01
Aberforth Smaller Companies Trust	327,122	3,271	0.05
Advance Developing Markets Fund	250,762	1,016	0.01
Alliance Trust	1,903,002	9,563	0.14
Allianz Technology Trust	91,579	527	0.01
Artemis Alpha Trust	153,421	354	0.01
Asian Total Return Investment	373,833	756	0.01
BACIT	1,404,986	1,834	0.03
Baillie Gifford Japan Trust	253,787	1,162	0.02
Baillie Gifford Shin Nippon	48,790	244	0.00
Bankers Investment Trust	392,436	2,284	0.03
Baring Emerging Europe	113,859	586	0.01
BBGI SICAV Fund	1,508,967	1,996	0.03
BH Global - GBP Shares	107,227	1,319	0.02
BH Macro - GBP Shares	119,632	2,393	0.03
Biotech Growth Trust	207,770	1,205	0.02
BlackRock Commodities Income Investment Trust	402,325	241	0.00
BlackRock Frontiers Investment Trust	527,872	549	0.01
BlackRock Greater Europe Investment Trust	409,658	1,007	0.01
BlackRock Greater Europe Investment Trust Subscription Shares	49,474	2	0.00
BlackRock Income Strategies Trust	962,501	1,172	0.02
BlackRock Latin American Investment Trust	176,909	554	0.01
BlackRock Smaller Companies Trust	185,606	1,613	0.02
BlackRock Throgmorton Trust	256,554	809	0.01
BlackRock World Mining Trust	703,428	1,526	0.02
Bluefield Solar Income Fund	1,084,780	1,090	0.02
British Empire Securities and General Trust	466,683	2,156	0.03
Brunner Investment Trust	124,378	625	0.01
Caledonia Investments Fund	112,831	2,557	0.04
City Merchants High Yield Trust	272,497	483	0.01
City of London Investment Trust	1,071,022	3,964	0.06
CQS New City High Yield Fund	1,242,733	684	0.01
CVC Credit Partners European Opportunities	1,049,716	1,005	0.01
Dexion Absolute	84,778	56	0.00
Dexion Equity Alternative**	85,400	0	0.00

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Diverse Income Trust	653,425	600	0.01
Dunedin Income Growth Investment Trust	656,535	1,416	0.02
Ecofin Water & Power Opportunities	831,887	915	0.01
Edinburgh Dragon Trust	697,559	1,714	0.02
Edinburgh Investment Trust	672,855	4,488	0.06
Edinburgh Worldwide Investment Trust	190,452	809	0.01
Electra Private Equity	85,999	2,989	0.04
European Investment Trust	174,205	1,138	0.02
F&C Capital & Income Investment Trust	205,211	525	0.01
F&C Global Smaller Companies	161,574	1,616	0.02
F&C Private Equity Trust	281,879	665	0.01
Fidelity Asian Values	237,334	605	0.01
Fidelity China Special Situations	1,924,805	2,608	0.04
Fidelity European Values	1,442,620	2,367	0.03
Fidelity Special Values	699,036	1,314	0.02
Finsbury Growth & Income Trust	430,304	2,590	0.04
Foreign & Colonial Investment Trust	1,937,896	8,430	0.12
Foresight Solar Fund	1,092,540	1,057	0.02
Fundsmith Emerging Equities Trust	67,918	656	0.01
GCP Infrastructure Investments	1,987,045	2,335	0.03
Genesis Emerging Markets Fund	465,833	2,250	0.03
Greencoat UK Wind Fund	1,886,884	1,977	0.03
Hansa Trust	13,762	100	0.00
HarbourVest Global Private Equity	275,680	2,495	0.04
Henderson Alternative Strategies Trust	222,577	467	0.01
Henderson European Focus Trust	92,733	890	0.01
Henderson EuroTrust	145,618	1,252	0.02
Henderson Far East Income	368,882	1,040	0.01
Henderson Global Trust	129,451	491	0.01
Henderson High Income Trust	363,934	622	0.01
Henderson Smaller Companies Investment Trust	283,159	1,702	0.02
Herald Investment Trust	266,631	1,808	0.03
HgCapital Trust	138,053	1,607	0.02
HICL Infrastructure	4,556,165	7,212	0.10
Highbridge Multi Strategy Fund	410,849	751	0.01
ICG Enterprise Trust	280,343	1,452	0.02
Impax Environmental Markets	842,305	1,413	0.02
International Biotechnology Trust	157,950	648	0.01
International Public Partnerships	3,397,551	4,848	0.07
Invesco Asia Trust	388,192	724	0.01
Invesco Income Growth Trust	212,014	551	0.01
Invesco Perpetual UK Smaller Companies Investment Trust	245,823	895	0.01
John Laing Infrastructure Fund	2,408,846	2,900	0.04
JPMorgan American Investment Trust	963,397	2,813	0.04
JPMorgan Asian Investment Trust	449,748	968	0.01
JPMorgan Chinese Investment Trust	290,508	472	0.01
JPMorgan Claverhouse Investment Trust	181,196	998	0.01
JPMorgan Emerging Markets Investment Trust	445,640	2,558	0.04
JPMorgan European Investment Trust Growth Shares	298,985	695	0.01
JPMorgan European Investment Trust Income Shares	159,427	201	0.00
JPMorgan European Smaller Companies Trust	638,029	1,721	0.02
JPMorgan Global Convertibles Income Fund	784,235	706	0.01
JPMorgan Global Emerging Markets Income Trust	1,280,355	1,178	0.02
JPMorgan Indian Investment Trust	370,662	1,855	0.03

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
JPMorgan Japan Smaller Companies Trust	233,176	627	0.01
JPMorgan Japanese Investment Trust	566,987	1,571	0.02
JPMorgan Mid Cap Investment Trust	89,001	827	0.01
JPMorgan Overseas Investment Trust	528,680	1,057	0.02
JPMorgan Russian Securities	185,010	611	0.01
JPMorgan Smaller Companies Investment Trust	85,296	708	0.01
Jupiter European Opportunities Trust	333,197	1,773	0.03
Jupiter US Smaller Companies	80,577	498	0.01
Keystone Investment Trust	42,000	695	0.01
Law Debenture Fund	463,876	2,129	0.03
LMS Capital Fund	514,720	335	0.00
Lowland Investment	64,264	826	0.01
Martin Currie Asia Unconstrained Trust	147,738	406	0.01
Martin Currie Portfolio Investment Trust	452,016	827	0.01
Mercantile Investment Trust	330,084	5,476	0.08
Merchants Trust	367,966	1,479	0.02
Monks Investment Trust	738,583	3,061	0.04
Montanaro UK Smaller Companies Investment Trust	98,294	453	0.01
Murray Income Trust	201,272	1,311	0.02
Murray International Trust	436,769	3,861	0.06
NB Global Floating Rate Income Fund	4,198,648	3,777	0.05
New India Investment Trust	202,150	631	0.01
NextEnergy Solar Fund	931,917	902	0.01
North American Income Trust	112,679	992	0.01
North Atlantic Smaller Companies Investment Trust	43,486	1,022	0.01
P2P Global Investments	304,734	2,648	0.04
Pacific Assets Trust	488,958	931	0.01
Pacific Horizon Investment Trust	232,110	402	0.01
Pantheon International Participation	174,015	2,149	0.03
Perpetual Income and Growth Investment Trust	820,806	3,088	0.04
Personal Assets Trust	6,226	2,287	0.03
Polar Capital Global Financials Trust	341,777	316	0.00
Polar Capital Global Healthcare Growth & Income	473,149	764	0.01
Polar Capital Technology Trust	456,758	2,626	0.04
Renewables Infrastructure	2,613,157	2,655	0.04
RIT Capital Partners Fund†	435,774	7,142	0.10
Riverstone Energy	197,778	1,564	0.02
Ruffer Investment	597,693	1,206	0.02
Schroder Asia Pacific Fund	595,064	1,607	0.02
Schroder Income Growth Fund	290,549	699	0.01
Schroder Japan Growth Fund	494,217	692	0.01
Schroder Oriental Income Fund	803,005	1,486	0.02
Schroder UK Growth Fund	697,378	1,053	0.02
Schroder UK Mid Cap Fund	115,380	495	0.01
Scottish American Investment Fund	454,045	1,162	0.02
Scottish Investment Trust	368,304	2,214	0.03
Scottish Mortgage Investment Trust	4,415,483	11,533	0.16
Scottish Oriental Smaller Companies Trust	132,934	997	0.01
Securities Trust of Scotland	490,385	663	0.01
Sequoia Economic Infrastructure Income Fund	33,745	36	0.00
Standard Life Equity Income Trust	140,184	590	0.01
Standard Life European Private Equity Trust	311,793	627	0.01
Standard Life UK Smaller Companies Trust	233,582	785	0.01
Starwood European Real Estate Finance	1,066,326	1,128	0.02

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Temple Bar Investment Trust	223,487	2,248	0.03
Templeton Emerging Markets Investment Trust	1,068,222	4,825	0.07
TR European Growth Trust	210,037	1,302	0.02
TR Property Investment Trust	1,103,234	3,271	0.05
Troy Income & Growth Trust	750,329	538	0.01
TwentyFour Income Fund	581,827	614	0.01
TwentyFour Select Monthly Income Fund	558,208	491	0.01
Utilico Emerging Markets	584,659	1,039	0.01
Utilico Emerging Markets Subsidiary Shares	116,931	20	0.00
Value and Income Trust	151,376	336	0.00
Witan Investment Trust	672,592	4,977	0.07
Witan Pacific Investment Trust	269,065	619	0.01
Woodford Patient Capital Trust	2,792,496	2,635	0.04
Worldwide Healthcare Trust	165,850	2,816	0.04
Financial Services			
3i	3,304,766	15,238	0.22
Aberdeen Asset Management	3,389,813	9,464	0.14
Allied Minds	400,970	1,922	0.03
Arrow Global	426,216	1,088	0.02
Ashmore	1,337,364	3,858	0.06
Brewin Dolphin	924,500	2,394	0.03
Close Brothers	511,175	6,364	0.09
Hargreaves Lansdown	748,266	9,959	0.14
Henderson	3,618,170	9,371	0.13
ICAP	1,839,101	8,706	0.12
IG	1,245,853	9,998	0.14
Intermediate Capital	1,117,167	6,887	0.10
International Personal Finance	780,758	2,248	0.03
Investec	1,745,007	8,786	0.13
IP	1,839,497	3,215	0.05
John Laing	1,266,366	2,900	0.04
Jupiter Fund Management	1,428,503	5,895	0.08
Liontrust Asset Management	254,123	640	0.01
London Stock Exchange	1,070,127	30,156	0.43
Man	5,253,977	8,138	0.12
OneSavings Bank	336,251	1,107	0.02
Paragon	1,021,760	3,260	0.05
Provident Financial	501,321	14,829	0.21
PureTech Health	246,132	361	0.01
Rathbone Brothers	163,292	3,470	0.05
Real Estate Credit Investments	310,897	494	0.01
S&U	22,219	489	0.01
Schroders	387,586	10,504	0.15
SVG Capital	581,074	2,920	0.04
Tullett Prebon	806,910	2,879	0.04
VPC Specialty Lending Investments	749,659	645	0.01

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Life Insurance			
Aviva	13,874,320	63,766	0.91
Chesnara	529,045	1,606	0.02
Just Retirement	940,970	1,430	0.02
Legal & General	20,364,336	47,917	0.69
Old Mutual	16,760,912	32,952	0.47
Partnership Assurance	749,751	937	0.01
Phoenix	770,211	7,267	0.10
Prudential	8,751,216	113,941	1.63
St James's Place	1,777,490	16,460	0.24
Standard Life	6,708,125	23,941	0.34
Nonequity Investment Instruments			
Aberdeen Global Liquidity Sterling Fund Advisory◇	53,081,822	53,082	0.76
JPMorgan Smaller Companies Investment Trust Subscription Shares	17,059	4	0.00
Securities Trust of Scotland**	256,049	0	0.00
Nonlife Insurance			
Admiral	679,630	13,375	0.19
Beazley	1,777,070	6,424	0.09
Direct Line Insurance	4,715,660	17,580	0.25
esure	834,341	2,287	0.03
Hastings	466,450	790	0.01
Hiscox	974,196	9,425	0.13
Jardine Lloyd Thompson	419,325	3,598	0.05
Lancashire	679,407	3,638	0.05
Novae	230,459	2,031	0.03
RSA Insurance	3,483,023	16,624	0.24
Real Estate Investment & Services			
Capital & Counties Properties	2,491,902	8,286	0.12
CLS	58,658	895	0.01
Countrywide	530,547	2,018	0.03
Daejan	17,349	985	0.01
Development Securities	462,378	855	0.01
F&C Commercial Property Trust	1,820,944	2,362	0.03
F&C UK Real Estate Investment	1,038,677	1,018	0.01
Foxtons	985,757	1,617	0.02
Grainger	1,417,902	3,190	0.05
Helical Bar	338,425	1,303	0.02
Kennedy Wilson Europe Real Estate	403,653	4,731	0.07
LSL Property Services	342,947	962	0.01
Macau Property Opportunities Fund	197,677	241	0.00
Mapeley**	7,176	0	0.00
MedicX Fund	1,186,894	1,021	0.01
Mountview Estates	5,852	673	0.01
Picton Property Income	2,094,052	1,455	0.02
Raven Russia	2,392,724	700	0.01
Savills	442,527	3,365	0.05
ST Modwen Properties	616,419	1,865	0.03
Standard Life Investment Property Income Trust	1,335,260	1,162	0.02
UK Commercial Property Trust	2,135,343	1,784	0.03
UNITE	760,898	4,874	0.07

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Real Estate Investment Trusts			
Assura	5,635,751	2,990	0.04
Big Yellow	488,331	3,829	0.05
British Land	3,512,794	24,888	0.36
Capital & Regional	1,828,670	1,198	0.02
Custodian REIT	463,980	498	0.01
Derwent London	341,565	10,756	0.15
Empiric Student Property	1,006,032	1,097	0.02
Great Portland Estates	1,179,511	8,587	0.12
Hammerson	2,689,777	15,493	0.22
Hansteen	2,484,861	2,639	0.04
Intu Properties	3,215,087	10,147	0.15
Land Securities	2,698,061	29,382	0.42
Londonmetric Property	2,003,035	3,211	0.05
McKay Securities	231,885	546	0.01
Mucklow A&J	114,999	547	0.01
Primary Health Properties	1,210,332	1,241	0.02
Primary Health Properties Rights**	121,032	0	0.00
Redefine International	3,503,886	1,629	0.02
Regional REIT	750,197	773	0.01
Safestore	714,203	2,427	0.03
Schroder Real Estate Investment Trust	2,010,928	1,212	0.02
Segro	2,543,642	10,477	0.15
Shaftesbury	952,886	8,686	0.12
Town Centre Securities	49,572	149	0.00
Tritax Big Box REIT	2,755,287	3,700	0.05
Workspace	400,199	3,110	0.04
FIXED INCOME (0.00%*)		2	0.00
Corporate Bonds			
Barclays Bank 0% 31/01/2019	GBP554,158	2	0.00
HEALTH CARE (8.82%*)		576,695	8.27
Health Care Equipment & Services			
Cambian	364,139	227	0.00
Consort Medical	132,450	1,415	0.02
Mediclinic International	1,272,776	11,493	0.16
NMC Health	217,939	2,251	0.03
Smith & Nephew	3,075,202	35,303	0.51
Spire Healthcare	962,899	3,463	0.05
Steris~	1	0	0.00
UDG Healthcare	838,482	4,926	0.07

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Pharmaceuticals & Biotechnology			
Alizyme**	235,919	0	0.00
AstraZeneca	4,327,960	169,440	2.43
BTG	1,309,073	8,110	0.12
Circassia Pharmaceuticals	656,782	1,756	0.03
Dechra Pharmaceuticals	300,823	3,655	0.05
Genus	209,024	3,167	0.05
GlaxoSmithKline	16,673,766	235,350	3.38
Hikma Pharmaceuticals	461,670	9,072	0.13
Indivior	2,212,583	3,637	0.05
Oxford Biomedica	9,943,454	585	0.01
Shire	2,016,022	78,907	1.13
Skyepharma	367,395	1,657	0.02
Vectura	1,396,082	2,281	0.03
INDUSTRIALS (10.00%*#)		731,219	10.50
Aerospace & Defence			
Avon Rubber	80,336	635	0.01
BAE Systems	10,847,333	55,538	0.80
Chemring	1,194,920	1,595	0.02
Cobham	3,904,731	8,587	0.12
Meggitt	2,669,358	10,883	0.16
QinetiQ	2,049,043	4,717	0.07
Rolls-Royce	6,305,638	43,509	0.62
Senior	1,431,124	3,293	0.05
Ultra Electronics	238,452	4,371	0.06
Construction & Materials			
Balfour Beatty	2,360,348	5,993	0.09
BOOT HENRY	274,371	617	0.01
Costain	207,915	733	0.01
CRH	2,794,484	55,471	0.80
Ibstock	661,598	1,336	0.02
Keller	245,231	2,138	0.03
Kier	313,293	4,101	0.06
Low & Bonar	1,170,162	708	0.01
Marshalls	688,192	2,451	0.04
Morgan Sindall	104,428	827	0.01
Polypipe	655,700	2,127	0.03
Tyman	594,552	1,742	0.02
Volution	98,329	157	0.00
Electronic & Electrical Equipment			
Dialight	60,115	342	0.00
e2v technologies	769,501	1,654	0.02
Halma	1,291,019	11,819	0.17
Morgan Crucible	998,406	2,335	0.03
Oxford Instruments	208,944	1,408	0.02
Renishaw	125,638	2,328	0.03
Spectris	406,486	7,483	0.11
TT electronics	603,363	922	0.01
Xaar	269,424	1,311	0.02
XP Power	53,993	858	0.01

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
General Industrials			
British Polythene Industries	106,773	742	0.01
DS Smith	3,221,376	13,365	0.19
Rexam	2,401,570	15,178	0.22
RPC	1,029,978	7,838	0.11
Smiths	1,344,508	14,615	0.21
Vesuvius	933,432	3,080	0.04
Industrial Engineering			
Bodycote	655,647	4,016	0.06
Fenner	782,140	1,027	0.01
Goodwin	1,000	19	0.00
Hill & Smith	295,149	2,639	0.04
IMI	936,087	8,958	0.13
Melrose Industries	515,203	1,901	0.03
Renold	770,205	250	0.00
Rotork	2,959,778	5,449	0.08
Severfield	1,251,599	692	0.01
Spirax-Sarco Engineering	250,119	9,132	0.13
Vitec	111,841	632	0.01
Weir	728,802	8,061	0.12
Industrial Transportation			
BBA Aviation	3,559,878	7,191	0.10
Braemar Shipping Services	137,884	594	0.01
Clarkson	88,961	1,995	0.03
James Fisher & Sons	157,236	2,069	0.03
Royal Mail	3,120,866	15,124	0.22
Stobart	1,003,846	1,044	0.01
UK Mail	165,432	488	0.01
Wincanton	584,864	877	0.01
Support Services			
Acal	222,121	533	0.01
Aggreko	822,910	8,929	0.13
Ashthead	1,726,215	15,018	0.22
Babcock International	1,722,336	16,276	0.23
Berendsen	589,245	7,118	0.10
Brammer	453,207	783	0.01
Bunzl	1,138,649	23,137	0.33
Capita	2,270,000	23,790	0.34
Carillion	1,475,619	4,380	0.06
Charles Taylor	309,260	844	0.01
Communisys	809,838	385	0.01
DCC	302,547	18,713	0.27
De La Rue	396,876	1,784	0.03
Diploma	390,804	2,915	0.04
Electrocomponents	1,504,694	3,735	0.05
Equiniti	683,798	1,075	0.02
Exova	416,587	661	0.01
Experian	3,338,834	41,568	0.60
Filtrona	893,381	7,460	0.11
G4S	5,321,393	10,276	0.15
Grafton	733,802	5,272	0.08
Hays	4,829,310	6,022	0.09
Hogg Robinson	939,029	563	0.01

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
HomeServe	872,057	3,711	0.05
Howden Joinery	2,128,384	10,108	0.14
Interserve	496,717	2,262	0.03
Intertek	551,303	17,515	0.25
John Menzies	175,987	843	0.01
Lavendon	804,358	1,086	0.02
Mears	429,697	1,794	0.03
Michael Page International	1,049,265	4,537	0.07
Mitie	1,241,490	3,192	0.05
Northgate	463,647	1,872	0.03
PayPoint	233,306	1,745	0.03
Paysafe	1,613,016	6,707	0.10
Premier Farnell	1,414,781	1,606	0.02
Regus	2,136,014	6,773	0.10
Rentokil Initial	6,207,821	11,019	0.16
Ricardo	203,279	1,687	0.02
Robert Walters	258,787	784	0.01
RPS	865,710	1,777	0.03
Sanne	272,128	1,034	0.01
Serco	3,767,308	3,741	0.05
Shanks	1,728,507	1,430	0.02
SIG	1,937,413	2,879	0.04
Smiths News	1,038,034	1,682	0.02
Speedy Hire	2,099,886	793	0.01
St Ives	375,748	862	0.01
SThree	450,098	1,404	0.02
Travis Perkins	846,650	15,502	0.22
Tribal	449,158	225	0.00
Vp	61,024	403	0.01
Wolseley	892,686	35,654	0.51
Worldpay	3,566,749	9,702	0.14
WS Atkins	344,692	4,760	0.07
Xchanging	1,011,906	1,928	0.03
OIL & GAS (11.80%*)		733,613	10.52
Oil & Gas Producers			
BP	63,186,811	224,629	3.22
Cairn Energy	1,976,406	3,992	0.06
EnQuest	3,641,267	728	0.01
Exillon Energy	419,984	307	0.00
Nostrum Oil & Gas	213,730	529	0.01
Ophir Energy	2,360,905	1,877	0.03
Premier Oil	1,944,879	846	0.01
Royal Dutch Shell 'A' Shares	14,483,190	247,083	3.54
Royal Dutch Shell 'B' Shares	12,872,109	220,628	3.16
Soco International	866,029	1,375	0.02
Tullow Oil	3,099,845	6,221	0.09
Oil Equipment, Services & Distribution			
AMEC	1,340,068	5,997	0.09
Cape	469,313	1,065	0.02
Hunting	521,771	1,645	0.02
John Wood	1,254,034	7,681	0.11
Lamprell	1,003,704	873	0.01
Petrofac	887,815	8,137	0.12

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
TECHNOLOGY (1.52%*)		109,507	1.58
Software & Computer Services			
AVEVA	219,298	3,474	0.05
Computacenter	234,849	1,974	0.03
FDM	329,285	1,860	0.03
Fidessa	131,620	3,188	0.05
Micro Focus International	644,955	10,106	0.14
NCC	826,336	2,091	0.03
RM	365,241	488	0.01
Sage	3,693,736	23,178	0.33
SDL	284,677	1,184	0.02
Servelec	263,745	981	0.01
Softcat	286,722	889	0.01
Sophos	830,628	1,828	0.03
Technology Hardware & Equipment			
ARM	4,840,776	49,521	0.71
Imagination Technologies	956,199	1,845	0.03
Laird	914,192	3,492	0.05
Nanoco	805,835	371	0.01
Sapura	474,071	934	0.01
Spirent Communications	2,376,745	2,103	0.03
TELECOMMUNICATIONS (4.84%*)		361,218	5.19
Fixed Line Telecommunications			
BT	28,703,012	127,987	1.84
Cable & Wireless Communications	9,522,868	7,342	0.11
KCOM	1,950,069	2,106	0.03
TalkTalk Telecom	1,801,423	4,277	0.06
Telecom Plus	209,211	1,958	0.03
Mobile Telecommunications			
Inmarsat	1,536,189	14,824	0.21
Vodafone	91,111,848	202,724	2.91
UTILITIES (3.58%*)		274,556	3.94
Electricity			
Drax	1,391,814	3,854	0.06
SSE	3,386,371	50,999	0.73
Gas, Water & Multiutilities			
Centrica	17,326,614	39,938	0.57
National Grid	12,936,468	128,524	1.84
Pennon	1,409,697	11,609	0.17
Severn Trent	816,499	17,898	0.26
United Utilities	2,338,276	21,734	0.31

UK All Share Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.01%*)		720	0.01
Futures			
FTSE 100 Index Futures June 2016	1,416	506	0.01
FTSE 250 Index Futures June 2016	540	214	0.00
Portfolio of investments		6,913,476	99.15
Net other assets		59,198	0.85
Total net assets		6,972,674	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

*Comparative figures shown in brackets relate to 31 March 2015.

**Unlisted and suspended securities.

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

#Since the previous report classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

◇Asset managed by the Fund's Investment Adviser.

~The market value of the holding is below £500 and is therefore rounded down to £0.

UK All Share Tracker Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
Aberdeen Global Liquidity Sterling Fund Advisory◇	1,039,551	Aberdeen Global Liquidity Sterling Fund Advisory◇	1,054,770
FTSE 100 Index Futures March 2016	447,268	FTSE 100 Index Futures March 2016	448,452
FTSE 100 Index Futures September 2015	283,462	FTSE 100 Index Futures June 2015	315,259
FTSE 100 Index Futures June 2015	244,063	FTSE 100 Index Futures September 2015	275,901
FTSE 100 Index Futures June 2016	180,129	FTSE 100 Index Futures December 2015	175,031
FTSE 100 Index Futures December 2015	174,974	FTSE 100 Index Futures June 2016	93,828
FTSE 250 Index Futures March 2016	79,218	FTSE 250 Index Futures March 2016	78,549
FTSE 250 Index Futures September 2015	66,096	HSBC	64,560
FTSE 250 Index Futures June 2015	34,216	FTSE 250 Index Futures September 2015	63,954
FTSE 250 Index Futures June 2016	29,636	FTSE 250 Index Futures June 2015	61,960

Purchases and sales of Futures have been included at the value of their exposure.

◇Asset managed by the Fund's Investment Adviser.

UK All Share Tracker Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Accumulation			
Change in net assets per share			
Opening net asset value per share	226.95	210.88	193.43
Return before operating charges*	(11.16)	16.87	18.18
Operating charges	(0.78)	(0.80)	(0.73)
Return after operating charges*	(11.94)	16.07	17.45
Closing net asset value per share	215.01	226.95	210.88
Retained distributions on accumulation shares	7.36	6.68	6.36
*after direct transaction costs of:~	-	-	0.04
Performance			
Return after charges^	(5.26%)	7.62%	9.02%
Other information			
Closing net asset value (£'000)	293,480	336,166	23,757
Closing number of shares	136,498,587	148,122,187	11,265,387
Operating charges#	0.36%	0.37%	0.36%
Direct transaction costs~	0.00%	0.00%	0.02%
Prices			
Highest share price	236.60	231.50	217.20
Lowest share price	190.70	199.30	185.10

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

UK All Share Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Income			
Change in net assets per share			
Opening net asset value per share	136.78	131.00	123.93
Return before operating charges*	(6.92)	10.38	3.52
Operating charges	(0.47)	(0.48)	(0.47)
Return after operating charges*	(7.39)	9.90	3.05
Distributions on income shares	(4.39)	(4.12)	4.02
Closing net asset value per share	125.00	136.78	131.00
*after direct transaction costs of:~	-	-	0.03
Performance			
Return after charges	(5.40%)	7.56%	2.46%
Other information			
Closing net asset value (£'000)	1,550	1,749	1,694
Closing number of shares	1,239,832	1,278,832	1,293,032
Operating charges#	0.36%	0.36%	0.36%
Direct transaction costs~	0.00%	0.00%	0.02%
Prices			
Highest share price	142.60	141.40	136.80
Lowest share price	112.60	121.70	118.60

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK All Share Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class X - Accumulation			
Change in net assets per share			
Opening net asset value per share	227.83	211.07	208.62
Return before operating charges*	(11.29)	17.00	2.68
Operating charges	(0.24)	(0.24)	(0.23)
Return after operating charges*	(11.53)	16.76	2.45
Closing net asset value per share	216.30	227.83	211.07
Retained distributions on accumulation shares	7.94	7.23	3.08
*after direct transaction costs of:~	-	-	0.04
Performance			
Return after charges	(5.06%)	7.94%	1.17%
Other information			
Closing net asset value (£'000)	6,677,644	8,410,025	8,906,812
Closing number of shares	3,087,240,588	3,691,382,588	4,219,884,088
Operating charges#	0.11%	0.11%	0.11%
Direct transaction costs~	0.00%	0.00%	0.02%
Prices			
Highest share price	237.50	232.30	217.40
Lowest share price	191.70	199.80	202.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Share class X Accumulation was launched 22 November 2013.

Prices for share class X are not published as this is an internal share class.

UK All Share Tracker Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(751,422)		370,941
Revenue	3	299,287		303,881	
Expenses	4	(9,504)		(9,758)	
Interest payable and similar charges		(2)		(3)	
Net revenue before taxation		289,781		294,120	
Taxation	5	(1,643)		(1,505)	
Net revenue after taxation			288,138		292,615
Total return before distributions			(463,284)		663,556
Distributions	6		(288,138)		(292,615)
Change in net assets attributable to shareholders from investment activities			(751,422)		370,941

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		8,747,940		8,932,263
Amounts receivable on creation of shares*	216,053		494,053	
Less: Amounts payable on cancellation of shares*	(1,516,220)		(1,336,222)	
		(1,300,167)		(842,169)
Dilution adjustment*		2,644		1,696
Stamp duty reserve tax**		-		(64)
Change in net assets attributable to shareholders from investment activities		(751,422)		370,941
Retained distribution on accumulation shares		273,679		285,273
Closing net assets attributable to shareholders		6,972,674		8,747,940

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

**Abolished from 30 March 2014.

Notes to the Financial Statements are on pages 117 to 125.

UK All Share Tracker Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	31/03/15 £000
Assets			
Investments		<u>6,913,476</u>	<u>8,700,908</u>
Current assets			
Debtors	7	47,501	55,726
Cash and bank balances	8	<u>54,211</u>	<u>13,211</u>
Total assets		<u>7,015,188</u>	<u>8,769,845</u>
Liabilities			
Creditors			
Distribution payable		(24)	(24)
Other creditors	9	<u>(42,490)</u>	<u>(21,881)</u>
Total liabilities		<u>(42,514)</u>	<u>(21,905)</u>
Net assets attributable to shareholders		<u><u>6,972,674</u></u>	<u><u>8,747,940</u></u>

Notes to the Financial Statements are on pages 117 to 125.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £2,644,232 (31/03/15: £1,696,168) have been reclassified from 'Amounts receivable on creation of shares' of £1,272,289 (31/03/15: £745,156) and 'Amounts payable on cancellation of shares' of £ 1,371,943 (31/03/15: £951,012).

2. Net capital (losses)/gains

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Non-derivative securities	(744,094)	368,547
Future contracts	(8,434)	2,271
Currency (losses)/gains	(162)	118
Transaction charges	(28)	5
Breach compensation	1,202	-
Dealing cost reimbursement*	94	-
Net capital (losses)/gains	<u>(751,422)</u>	<u>370,941</u>

*Commissions refund on trades charged at Commission Sharing Agreement rates.

3. Revenue

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
UK dividends	235,520	246,727
Overseas taxable revenue	320	25
Overseas non-taxable revenue	30,933	25,537
Property revenue from UK REITs - PID	3,255	2,809
Property revenue from UK REITs - Non PID	1,061	965
Property revenue from overseas REITs - Non PID	92	-
Distributions from Regulated Collective Investment Schemes:		
Interest distributions	148	49
Offshore distribution taxable	417	584
Bank interest	72	20
Interest on debt securities	84	84
Overseas scrip dividends	4,775	5,548
Stock lending revenue	1,619	1,057
UK scrip dividends non-taxable	20,176	19,409
UK scrip dividends taxable	785	-
UK PID scrip dividends	-	95
UK Non-PID scrip dividends	30	972
Total revenue	<u>299,287</u>	<u>303,881</u>

Notes to the Financial Statements

(continued)

as at 31 March 2016

4. Expenses

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	763	109
Registration fees	7,950	8,744
	<u>8,713</u>	<u>8,853</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	693	755
Safe custody fees	74	80
	<u>767</u>	<u>835</u>
Other expenses:		
Audit fee	10	11
Legal fee	13	-
Other professional fees*	1	59
	<u>24</u>	<u>70</u>
Total expenses	<u>9,504</u>	<u>9,758</u>

Expenses include irrecoverable VAT where applicable.

*Other professional fees are in relation to Fokus Bank tax reclaim paid to Deloitte, Linklaters and other consultancies. Professional fees paid to Hogan Lovells, Clyde & Co, Eversheds and Brick Court Chambers.

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	1,643	1,505
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	289,781	294,120
Corporation tax of 20% (2015: 20%)	57,956	58,824
Effects of:		
UK dividends*	(47,104)	(49,345)
Non-taxable scrip dividends	(4,996)	(5,186)
Overseas non-taxable revenue	(6,205)	(5,107)
Movement in excess management expenses	561	1,007
Irrecoverable overseas tax	1,643	1,505
Property revenue from UK REITs - Non PID*	(212)	(193)
Total tax charge for year (note 5a)	<u>1,643</u>	<u>1,505</u>

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

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,619,172 (31/03/15: £10,058,168) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

as at 31 March 2016

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Interim	158,861	157,809
Final	114,874	127,518
	<u>273,735</u>	<u>285,327</u>
Add: Revenue deducted on cancellation of shares	15,062	12,123
Deduct: Revenue received on creation of shares	(659)	(4,835)
Net distributions for the year	<u>288,138</u>	<u>292,615</u>

Details of the distribution per share is set out in the Distribution Tables on page 126.

7. Debtors

	31/03/16 £000	31/03/15 £000
Sales awaiting settlement	3,563	8,278
Amounts receivable for issue of shares	2,086	-
Accrued revenue	40,696	46,689
Income tax recoverable	39	10
Overseas tax recoverable	1,117	749
Total debtors	<u>47,501</u>	<u>55,726</u>

8. Cash and bank balances

	31/03/16 £000	31/03/15 £000
Cash and bank balances	47,877	8,590
Amounts held at futures clearing houses and brokers	6,334	4,621
Total cash and bank balances	<u>54,211</u>	<u>13,211</u>

9. Other creditors

	31/03/16 £000	31/03/15 £000
Purchases awaiting settlement	81	-
Amounts payable for cancellation of shares	41,620	20,936
Accrued expenses	789	945
Total other creditors	<u>42,490</u>	<u>21,881</u>

10. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £657,169 (31/03/15: £800,245) due at the year end.

The Fund has a related party holding of 219,951,245 shares (31/05/15: 215,225,999 shares) and value of £155,952 (31/05/15: £178,304) within the Lloyds Banking Group.

Revenue disclosed in note 3 includes amounts received from Lloyds related investments. The total revenue received amounts to £148,586 (31/03/15: £124,551).

as at 31 March 2016

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	93.38	93.26

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class I - Accumulation:	0.25
Share Class I - Income:	0.25
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 112 to 114.

The distributions per share class are given in the Distribution Tables on page 126.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening shares	Creations	Cancellations	Closing shares
	in issue			in issue
Share Class I - Accumulation	148,122,187	1,127,900	(12,751,500)	136,498,587
Share Class I - Income	1,278,832	8,500	(47,500)	1,239,832
Share Class X - Accumulation	3,691,382,588	94,873,000	(699,015,000)	3,087,240,588
Total	<u>3,840,783,607</u>	<u>96,009,400</u>	<u>(711,814,000)</u>	<u>3,224,979,007</u>

12. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

13. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £299,892,456 (31/03/2015: £192,974,679). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £319,098,593 (31/03/2015: £203,688,003). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £2,158,749 (31/03/15: £1,410,097) and £539,821 (31/03/15: £352,684).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Abbey National Treasury Services	34,675	86,469
ABN AMRO Bank	5,367	386
Bank of Nova Scotia	18,837	5,022
Barclays	23,821	-
BNP Paribas Arbitrage	-	254
Citigroup Global Markets (UK)	1,148	1,949
Citigroup Global Markets (USA)	-	488
Credit Suisse Securities (Europe)	13,711	2,276
Credit Suisse Securities (USA)	-	12
Deutsche Bank	28,552	23,418
Deutsche Bank Securities	-	114
Goldman Sachs	-	798
Goldman Sachs International	85,856	2,789
HSBC Bank	11,878	2,102
ING Bank	-	596
JP Morgan Securities	11,888	12,447
Macquarie Bank	31	-
Merrill Lynch	13,913	7,209
Merrill Lynch, Pierce, Fenner & Smith	-	35
Morgan Stanley	-	68
Morgan Stanley International	26,632	21,337
Nomura International	104	169
Societe Generale	9,681	3,459
UBS	13,798	21,578
Total securities on loan	<u>299,892</u>	<u>192,975</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	115,362	61,678
Equities	104,787	124,162
Cash	98,950	17,848
Total collateral held	<u>319,099</u>	<u>203,688</u>

as at 31 March 2016

14. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 94. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A small portion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the UK All Share Tracker Fund would have been an increase or decrease of approximately £116,230 (31/03/15: £170,463).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/03/16	31/03/15
	£000	£000
Euro	1,329	1,318
US dollar	10,294	15,728
Total	11,623	17,046

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

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

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

The Fund's net cash holding of £47,876,861 (31/03/15: holding £8,590,331) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

The Fund holds net cash at futures brokers of £6,334,313 (31/03/15: cash £4,621,495), whose rates are based on LIBOR or its international equivalent.

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

The Fund did not have any long term financial liabilities.

(c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. Such exposure to the various markets is balanced through tactical allocation of futures contracts. These contracts were traded on an eligible derivatives exchange.

Financial derivative instruments exposure – fair value	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	720,670	1,009,178
Total Financial derivative instrument exposure	720,670	1,009,178

Financial derivative instruments exposure – notional	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	104,674,440	113,677,500
Total Financial derivative instrument exposure	104,674,440	113,677,500

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

as at 31 March 2016

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	2,158,749	1,410,097
Direct operational costs and fees incurred	(431,857)	(282,147)
Indirect operational costs and fees incurred	(107,964)	(70,537)
Net revenue generated for Fund during the annual accounting period	1,618,928	1,057,413
Underlying exposure obtained through EPM techniques	104,674,440	113,677,500

Counterparties to financial derivative instruments and efficient portfolio management technique

	Value (£)	Value (£)
	31/03/16	31/03/15
Merrill Lynch - Futures	720,670	1,009,178
Total uncollateralised counterparty exposure	720,670	1,009,178

The counterparty exposure represents the amount that the Fund could lose if the counterparty defaulted. This is calculated as the unrealised profit on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	Value (£)	Value (£)
	31/03/16	31/03/15

The type and amount of collateral received to reduce counterparty exposure:

GBP Cash - Merrill Lynch	6,334,313	4,621,495
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(d) *Liquidity risk*

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

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

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

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

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £69,134,757 (31/03/15: £87,009,076).

(f) *Credit risk*

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

as at 31 March 2016

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Collective Investment Schemes	1,039,551	776,249	1,069,120	821,300
Equities	326,839	330,239	1,276,139	828,063
Futures	1,558,716	1,443,975	1,559,351	1,482,596
Trades in the year before transaction costs	2,925,106	2,550,463	3,904,610	3,131,959
Commissions				
Equities	36	70	(124)	(90)
Futures	33	33	(33)	(35)
Total commissions	69	103	(157)	(125)
Taxes				
Equities	1,231	1,101	(3)	(2)
Total costs	1,300	1,204	(160)	(127)
Total net trades in the year after transaction costs	2,926,406	2,551,667	3,904,450	3,131,832

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions				
Equities	0.01	0.02	0.01	0.01
Futures	0.00	0.00	0.00	0.00
Taxes				
Equities	0.38	0.33	0.00	0.00

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

	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions (%) - Purchases	0.00	0.00
Taxes (%) - Purchases	0.02	0.01
Commissions (%) - Sales	0.00	0.00
Taxes (%) - Sales	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equity securities and futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.09% (31/03/2015: 0.08%).

as at 31 March 2016

16. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	6,913,474	-	8,700,864	-
Level 2	-	-	-	-
Level 3	2	-	44	-
Total fair value	<u>6,913,476</u>	<u>-</u>	<u>8,700,908</u>	<u>-</u>

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

UK All Share Tracker Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 Interim Shares purchased prior to 1 April 2015
 Final Shares purchased prior to 1 October 2015
- Group 2 Interim Shares purchased on or between 1 April 2015 and 30 September 2015
 Final Shares purchased on or between 1 October 2015 and 31 March 2016

Share Class I - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	4.0684	-	4.0684	3.6264
Final	3.2919	-	3.2919	3.0559
Group 2	(p)	(p)	(p)	(p)
Interim	2.3109	1.7575	4.0684	3.6264
Final	0.4332	2.8587	3.2919	3.0559

Share Class I - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	2.4509	-	2.4509	2.2529
Final	1.9434	-	1.9434	1.8635
Group 2	(p)	(p)	(p)	(p)
Interim	2.3229	0.1280	2.4509	2.2529
Final	1.9304	0.0130	1.9434	1.8635

Share Class X - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	4.3651	-	4.3651	3.9028
Final	3.5746	-	3.5746	3.3312
Group 2	(p)	(p)	(p)	(p)
Interim	3.5175	0.8476	4.3651	3.9028
Final	2.7591	0.8155	3.5746	3.3312

Corporate shareholder information (unaudited) for all share classes

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

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

UK Fixed Interest Tracker Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a total return based on the performance of the gilt market as represented by the FTSE Actuaries UK Conventional Gilts All Stocks Index (or such similar Index as the ACD shall consider appropriate) by investment in a portfolio which will primarily consist of UK Government Gilts.

The objective of the Fund is to be achieved by investing in a portfolio of UK Government Gilts, other Sterling Loan Stocks and other investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest. The ACD will normally use a range of recognised indexation techniques to achieve the aim of tracking the FTSE Actuaries UK Conventional Gilts All Stocks Index. In so doing, the ACD may use discretion in deciding which investments included in the said index are to be included in the portfolio. The number of investments so included may vary and this may result in only a small number of such investments being included in the portfolio. The ACD reserves the right to exercise the full powers of the Fund in relation to borrowing and efficient portfolio management as and when it considers that the circumstances which then exist make it appropriate to do so.

If the said Index is replaced by a successor Index using (in the opinion of the ACD) the same or a substantially similar formula for (and method of) calculating the said Index then the ACD shall be entitled to determine (at its entire discretion) that such successor Index will be from the date of such determination substituted for the FTSE Actuaries UK Conventional Gilts All Stocks Index for the purposes of the investment objective and policy of the Fund.

Note: Being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes. The use of derivatives for this type of scheme is restricted to efficient portfolio management.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>						
	<p>Typically higher rewards, higher risks</p> <p>→</p>						
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
UK Fixed Interest Tracker Fund I Accumulation	2.49	13.11	(3.49)	4.65	13.44
UK Gilt Sector Average Return	2.25	15.30	(3.75)	4.52	13.81
FTSE Actuaries UK Conventional Gilts All Stocks Index	3.25	13.91	(2.56)	5.25	14.46
Realised Tracking Error†	0.05	0.05	0.06	0.10	n/a
Anticipated Tracking Error*	0.00-0.20	0.00-0.20	0.00-0.20	n/a	n/a

Source: Lipper for UK Fixed Interest Tracker Fund and UK Gilt Sector Average Return (funds which invest at least 95% of their assets in Sterling denominated (or hedged back to Sterling) triple AAA rated, government backed securities, with at least 80% invested in UK government securities, (Gilts)). Basis: Net revenue reinvested and net of expenses.

Source: Datastream for the FTSE Actuaries UK Conventional Gilts All Stocks Index (GBP). Basis: Gross revenue reinvested and gross of expenses.

†The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period.

*The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0-0.2%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark.

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.

UK government bonds experienced a high level of volatility in the year to 31 March. Markets shifted between bouts of optimism and pessimism over economic growth, and fretted over a plethora of geopolitical problems. This latter factor served to heighten risk aversion, encouraging an investor flight to the perceived safety of core government bonds such as UK Gilts. For much of the review period, this was countered by a rise in inflation expectations and an accompanying expectation that UK interest rates were likely to rise.

That expectation diminished as the review period wore on. While the Bank of England's monetary policy committee (MPC) was consistently split 8-1 against an interest rate hike in the later stages of the review period, market pricing for the first interest rate hike has fluctuated wildly, and markets are not fully pricing in the first rate rise until late next year.

The possibility that the UK might leave the European Union (or 'Brexit' as it has become known in the media) became a prominent topic for discussion towards the end of the review period. Investors hate uncertainty and the prospect of a protracted in/out battle until late June caused the pound to plummet to its lowest level against the US dollar since 2009.

The yield on the benchmark 10-year UK Gilt closed the review period at 1.42% on 31 March.

Over the year to the end of March, the benchmark FTSE-A UK Gilts All Stocks Index returned 3.25%. The UK Fixed Interest Tracker returned 2.49% net of fees over the same period.

Activity over the half-year continued to serve the Fund's aim of tracking the performance of the FTSE-A UK Gilts All Stocks Index. This is achieved by using sampling techniques to capture both the duration of the market (i.e. its price sensitivity to interest-rate changes) and the shape of the yield curve. Holdings were switched only when it would provide a truer representation of the curve. Cash inflows and coupon payments were invested to maintain a close replication of the benchmark index.

Aberdeen Asset Investments Limited

April 2016

UK Fixed Interest Tracker Fund

Portfolio Statement

as at 31 March 2016

	Nominal Values	Market Value £000	Total Net Assets %
GOVERNMENT SECURITIES (99.44%*)		255,289	100.01
UK Treasury 4% 07/09/2016	GBP6,770,000	6,875	2.69
UK Treasury 1.75% 22/01/2017	GBP5,824,300	5,887	2.31
UK Treasury 8.75% 25/08/2017	GBP2,126,000	2,378	0.93
UK Treasury 1% 07/09/2017	GBP6,110,000	6,162	2.41
UK Treasury 5% 07/03/2018	GBP6,909,200	7,535	2.95
UK Treasury 1.25% 22/07/2018	GBP6,647,000	6,770	2.65
UK Treasury 4.5% 07/03/2019	GBP6,934,000	7,756	3.04
UK Treasury 1.75% 22/07/2019	GBP5,825,000	6,041	2.37
UK Treasury 3.75% 07/09/2019	GBP5,482,000	6,081	2.38
UK Treasury 4.75% 07/03/2020	GBP6,354,000	7,373	2.89
UK Treasury 2% 22/07/2020	GBP6,134,000	6,457	2.53
UK Treasury 3.75% 07/09/2020	GBP4,689,000	5,316	2.08
UK Treasury 1.5% 22/01/2021	GBP4,006,300	4,131	1.62
UK Treasury 8% 07/06/2021	GBP4,592,000	6,264	2.45
UK Treasury 3.75% 07/09/2021	GBP5,415,000	6,245	2.45
UK Treasury 4% 07/03/2022	GBP7,239,000	8,537	3.34
UK Treasury 1.75% 07/09/2022	GBP5,542,000	5,791	2.27
UK Treasury 2.25% 07/09/2023	GBP5,241,000	5,640	2.21
UK Treasury 2.75% 07/09/2024	GBP5,134,000	5,723	2.24
UK Treasury 5% 07/03/2025	GBP6,691,400	8,780	3.44
UK Treasury 2% 07/09/2025	GBP4,854,000	5,108	2.00
UK Treasury 1.5% 22/07/2026	GBP742,700	741	0.29
UK Treasury 4.25% 07/12/2027	GBP5,914,000	7,587	2.97
UK Treasury 6% 07/12/2028	GBP3,629,700	5,458	2.14
UK Treasury 4.75% 07/12/2030	GBP6,417,000	8,802	3.45
UK Treasury 4.25% 07/06/2032	GBP6,760,000	8,894	3.48
UK Treasury 4.5% 07/09/2034	GBP6,063,000	8,300	3.25
UK Treasury 4.25% 07/03/2036	GBP5,541,300	7,424	2.91
UK Treasury 4.75% 07/12/2038	GBP4,807,000	6,978	2.73
UK Treasury 4.25% 07/09/2039	GBP4,057,000	5,537	2.17
UK Treasury 4.25% 07/12/2040	GBP4,740,000	6,537	2.56
UK Treasury 4.5% 07/12/2042	GBP5,081,000	7,358	2.88
UK Treasury 3.25% 22/01/2044	GBP5,216,000	6,239	2.44
UK Treasury 3.5% 22/01/2045	GBP4,881,000	6,115	2.40
UK Treasury 4.25% 07/12/2046	GBP4,238,900	6,094	2.39
UK Treasury 4.25% 07/12/2049	GBP3,772,000	5,582	2.19
UK Treasury 3.75% 22/07/2052	GBP4,500,000	6,243	2.45
UK Treasury 4.25% 07/12/2055	GBP4,720,000	7,378	2.89
UK Treasury 4% 22/01/2060	GBP4,332,000	6,626	2.60
UK Treasury 2.5% 22/07/2065	GBP1,125,000	1,248	0.49
UK Treasury 3.5% 22/07/2068	GBP3,716,900	5,298	2.08
Portfolio of investments		255,289	100.01
Net other liabilities		(18)	(0.01)
Total net assets		255,271	100.00

All holdings are admitted to official stock exchange listings unless otherwise stated.

*Comparative figures shown in brackets relate to 31 March 2015.

UK Fixed Interest Tracker Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
UK Treasury 2% 07/09/2025	5,105	UK Treasury 4.75% 07/09/2015	9,096
UK Treasury 1.5% 22/01/2021	4,234	UK Treasury 2% 22/01/2016	7,935
UK Treasury 2% 22/07/2020	4,001	UK Treasury 8% 07/12/2015	3,889
UK Treasury 3.5% 22/01/2045	3,913	UK Treasury 4.25% 07/12/2027	3,316
UK Treasury 4.25% 07/12/2027	3,120	UK Treasury 4% 07/03/2022	2,999
UK Treasury 4% 07/03/2022	2,778	UK Treasury 6% 07/12/2028	2,902
UK Treasury 4.75% 07/12/2030	2,772	UK Treasury 4.25% 07/06/2032	2,680
UK Treasury 6% 07/12/2028	2,757	UK Treasury 4.5% 07/12/2042	2,672
UK Treasury 4.5% 07/09/2034	2,595	UK Treasury 4.75% 07/12/2030	2,546
UK Treasury 4.5% 07/12/2042	2,487	UK Treasury 5% 07/03/2025	2,435

UK Fixed Interest Tracker Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Accumulation			
Change in net assets per share			
Opening net asset value per share	228.60	202.07	209.41
Return before operating charges*	6.47	27.32	(6.61)
Operating charges	(0.84)	(0.79)	(0.73)
Return after operating charges*	5.63	26.53	(7.34)
Closing net asset value per share	234.23	228.60	202.07
Retained distributions on accumulation shares	3.23	3.40	3.68
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges^	2.46%	13.13%	(3.51%)
Other information			
Closing net asset value (£'000)	6,148	9,062	329,796
Closing number of shares	2,624,867	3,964,267	163,207,473
Operating charges#	0.37%	0.37%	0.36%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	236.80	234.10	212.40
Lowest share price	217.80	201.80	196.80

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

UK Fixed Interest Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Income			
Change in net assets per share			
Opening net asset value per share	127.84	114.80	121.18
Return before operating charges*	3.54	15.41	(3.85)
Operating charges	(0.46)	(0.45)	(0.42)
Return after operating charges*	3.08	14.96	(4.27)
Distributions on income shares	(1.80)	(1.92)	(2.11)
Closing net asset value per share	129.12	127.84	114.80

*after direct transaction costs of:~

-

-

-

Performance

Return after charges	2.41%	13.03%	(3.52%)
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Other information

Closing net asset value (£'000)	183	194	297
Closing number of shares	141,858	151,858	258,358
Operating charges#	0.37%	0.37%	0.36%
Direct transaction costs~	0.00%	0.00%	0.00%

Prices

Highest share price	131.00	131.40	122.90
Lowest share price	121.40	114.60	113.00

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)
Share Class W - Gross Accumulation		
Change in net assets per share		
Opening net asset value per share	113.85	100.00
Return before operating charges*	3.65	13.98
Operating charges	(0.14)	(0.13)
Return after operating charges*	3.51	13.85
Closing net asset value per share	117.36	113.85
Retained distributions on accumulation shares	2.30	2.37
*after direct transaction costs of:~	-	-
Performance		
Return after charges	3.08%	13.85%
Other information		
Closing net asset value (£'000)	248,940	249,942
Closing number of shares	212,123,452	219,542,352
Operating charges#	0.12%	0.12%
Direct transaction costs~	0.00%	0.00%
Prices		
Highest share price	118.50	116.50
Lowest share price	108.60	99.84

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched 1 April 2014.

UK Fixed Interest Tracker Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital gains	2		2,632		26,961
Revenue	3	5,321		6,421	
Expenses	4	(299)		(336)	
Interest payable and similar charges		-		-	
Net revenue before taxation		5,022		6,085	
Taxation	5	-		-	
Net revenue after taxation			5,022		6,085
Total return before distributions			7,654		33,046
Distributions	6		(5,022)		(6,070)
Change in net assets attributable to shareholders from investment activities			2,632		26,976

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		259,198		330,093
Amounts receivable on creation of shares*	51,502		21,654	
Less: Amounts payable on cancellation of shares*	(63,034)		(125,424)	
		(11,532)		(103,770)
Dilution adjustment*		33		7
Change in net assets attributable to shareholders from investment activities		2,632		26,976
Retained distribution on accumulation shares		4,939		5,891
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		255,271		259,198

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 136.

Notes to the Financial Statements are on pages 136 to 141.

UK Fixed Interest Tracker Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	Restated 31/03/15 £000
Assets			
Fixed assets			
Investments		<u>255,289</u>	<u>257,746</u>
Current assets			
Debtors	8	1,353	9,604
Cash and bank balances		<u>251</u>	<u>361</u>
Total assets		<u>256,893</u>	<u>267,711</u>
Liabilities			
Creditors			
Distribution payable*		(13)	(20)
Other creditors*	9	<u>(1,609)</u>	<u>(8,493)</u>
Total liabilities		<u>(1,622)</u>	<u>(8,513)</u>
Net assets attributable to shareholders		<u><u>255,271</u></u>	<u><u>259,198</u></u>

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 136.

Notes to the Financial Statements are on pages 136 to 141.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £33,183 (31/03/15: £7,187) have been reclassified from 'Amounts receivable on creation of shares' of £28,970 (31/03/15: £3,456) and 'Amounts payable on cancellation of shares' of £4,213 (31/03/15: £3,731).

'Income tax payable' totalling £11,604 (31/03/15: £19,126) has been reclassified from 'Other creditors' to 'Distribution payable'.

2. Net capital gains

The net capital gains during the year comprise:

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Non-derivative securities	2,644	26,968
Transaction charges	(12)	(7)
Net capital gains	<u>2,632</u>	<u>26,961</u>

3. Revenue

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Bank interest	1	-
Interest on debt securities	5,111	6,221
Stock lending revenue	209	200
Total revenue	<u>5,321</u>	<u>6,421</u>

4. Expenses

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	18	29
Registration fees	248	271
	<u>266</u>	<u>300</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	22	24
Safe custody fees	2	3
	<u>24</u>	<u>27</u>
Other expenses:		
Audit fee	9	9
Total expenses	<u>299</u>	<u>336</u>

Expenses include irrecoverable VAT where applicable.

Notes to the Financial Statements

(continued)

as at 31 March 2016

5. Taxation

01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
---------------------------------	---------------------------------

(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

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

Net revenue before taxation	5,022	6,085
Corporation tax of 20% (2015: 20%)	1,004	1,217
Effects of:		
Tax deductible interest distributions	(1,004)	(1,217)
Total tax charge for year	-	-

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

6. Distributions

01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
---------------------------------	---------------------------------

First interim	1,322	2,019
Second interim	1,163	1,322
Third interim	1,226	1,267
Final	1,230	1,285
Income tax withheld	26	47
	4,967	5,940
Add: Revenue deducted on cancellation of shares	149	199
Deduct: Revenue received on creation of shares	(94)	(69)
Net distributions for the year	5,022	6,070

Details of the distributions per share are set out in the Distribution Tables on page 142.

7. Movement between net revenue and net distributions

01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
---------------------------------	---------------------------------

Net revenue after taxation	5,022	6,085
Movement in net income as a result of conversions	-	(15)
Net distributions for the year	5,022	6,070

8. Debtors

31/03/16 £000	31/03/15 £000
------------------	------------------

Amounts receivable for issue of shares	-	8,190
Accrued revenue	1,353	1,414
Total debtors	1,353	9,604

as at 31 March 2016

9. Other creditors

	31/03/16	31/03/15
	£000	£000
Purchases awaiting settlement	1,543	8,045
Amounts payable for cancellation of shares	23	405
Accrued expenses	43	43
Total other creditors	<u>1,609</u>	<u>8,493</u>

10. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £23,046 (31/03/15: £23,339) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	98.06	97.86

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class I - Accumulation:	0.25
Share Class I - Income:	0.25
Share Class W - Gross Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 131 to 133.

The distributions per share class are given in the Distribution Tables on page 142.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening			Shares
	shares in issue	Creations	Cancellations	Closing shares
				converted
				in issue
Share Class I - Accumulation	3,964,267	460,100	(1,799,500)	-
Share Class I - Income	151,858	8,000	(18,000)	-
Share Class W - Gross Accumulation	219,542,352	45,322,600	(52,741,500)	-
Total	<u>223,658,477</u>	<u>45,790,700</u>	<u>(54,559,000)</u>	<u>-</u>
				<u>214,890,177</u>

12. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

13. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £109,064,893 (31/03/2015: £160,519,820). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £118,625,489 (31/03/2015: £173,507,782). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £278,795 (31/03/15: £266,412) and £69,733 (31/03/15: £66,636).

	31/03/16	31/03/15
	£000	£000
Counterparties		
Abbey National Treasury Services	20,548	32,908
HSBC Bank	29,367	39,674
ING Bank	4,705	2,077
Macquarie Bank	-	30,385
Morgan Stanley International	9,332	35,309
Societe Generale	45,113	20,167
Total securities on loan	<u>109,065</u>	<u>160,520</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	-	101,077
Equities	118,625	72,431
Total collateral held	<u>118,625</u>	<u>173,508</u>

14. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 127. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

The Fund's financial assets and liabilities are all denominated in Sterling. As a result, the Fund does not have any exposure to currency movements.

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

The Fund receives revenue from holdings in fixed interest investments. Given that the Fund's objective is to provide a total return based on the performance of the overseas fixed interest market, these cashflows are considered to be of primary importance and are actively managed.

The interest rate risk profile of the company's financial assets and liabilities at 31 March was:

	Floating rate financial assets £000	Floating rate financial assets £000	Net financial (liabilities)/ assets not carrying interest £000	Total £000
Currency				
31/03/16				
Sterling	251	255,289	(269)	255,271
31/03/15				
Sterling	361	257,746	1,091	259,198

The Fund's net cash holding of £251,177 (31/03/15: holding £361,497) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

As at 31 March 2016, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the UK Fixed Interest Tracker Fund would have been an increase or decrease of approximately £638,221 (31/03/15: £644,365).

The Fund did not have any long term financial liabilities.

as at 31 March 2016

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	278,795	266,412
Direct operational costs and fees incurred	(55,786)	(53,309)
Indirect operational costs and fees incurred	(13,947)	(13,327)
Net revenue generated for Fund during the annual accounting period	<u>209,062</u>	<u>199,776</u>

Counterparties to financial derivative instruments and efficient portfolio management technique as at 31 March 2016

The Fund had no uncollateralised counterparty exposure at the year end as no derivative positions were held.

Collateral as at 31 March 2016

No collateral received.

(c) Liquidity risk

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

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

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

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

The Fund invests principally in fixed interest securities. The value of fixed interest securities is not fixed and may go down as well as up. Any change to the interest rates relevant for the particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. Changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

Debt security credit analysis

	01/04/15 to	01/04/14 to
	31/03/16	31/03/15
	£000	£000
Investment grade	<u>255,289</u>	<u>257,746</u>

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £2,552,886 (31/03/15: £2,577,461).

(e) Credit risk

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

as at 31 March 2016

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Fixed Income*	93,317	68,485	95,744	164,080
Total net trades in the year after transaction costs	93,317	68,485	95,744	164,080

*These types of transaction do not attract direct portfolio transaction costs.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.07% (31/03/2015: 0.06%).

16. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	255,289	-	257,746	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	255,289	-	257,746	-

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

UK Fixed Interest Tracker Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 1 April 2015
 Second interim Shares purchased prior to 1 July 2015
 Third interim Shares purchased prior to 1 October 2015
 Final Shares purchased prior to 1 January 2016
- Group 2 First interim Shares purchased on or between 1 April 2015 and 30 June 2015
 Second interim Shares purchased on or between 1 July 2015 and 30 September 2015
 Third interim Shares purchased on or between 1 October 2015 and 31 December 2015
 Final Shares purchased on or between 1 January 2016 and 31 March 2016

Share Class I - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	1.0185	0.2037	0.8148	-	0.8148	0.9056
Second interim	1.0213	0.2043	0.8170	-	0.8170	0.8639
Third interim	1.0024	0.2005	0.8019	-	0.8019	0.8237
Final	0.9945	0.1989	0.7956	-	0.7956	0.8055
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.9233	0.1847	0.7386	0.0762	0.8148	0.9056
Second interim	0.6960	0.1392	0.5568	0.2602	0.8170	0.8639
Third interim	0.6389	0.1278	0.5111	0.2908	0.8019	0.8237
Final	0.6523	0.1305	0.5218	0.2738	0.7956	0.8055

Share Class I - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5695	0.1139	0.4556	-	0.4556	0.5126
Second interim	0.5690	0.1138	0.4552	-	0.4552	0.4885
Third interim	0.5561	0.1112	0.4449	-	0.4449	0.4643
Final	0.5504	0.1101	0.4403	-	0.4403	0.4519
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3514	0.0703	0.2811	0.1745	0.4556	0.5126
Second interim	0.5690	0.1138	0.4552	-	0.4552	0.4885
Third interim	0.5561	0.1112	0.4449	-	0.4449	0.4643
Final	0.5504	0.1101	0.4403	-	0.4403	0.4519

Share Class W - Gross Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5768	-	0.5768	-	0.5768	0.6147
Second interim	0.5799	-	0.5799	-	0.5799	0.6003
Third interim	0.5717	-	0.5717	-	0.5717	0.5797
Final	0.5698	-	0.5698	-	0.5698	0.5706
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1901	-	0.1901	0.3867	0.5768	0.6147
Second interim	0.3916	-	0.3916	0.1883	0.5799	0.6003
Third interim	0.3456	-	0.3456	0.2261	0.5717	0.5797
Final	0.5090	-	0.5090	0.0608	0.5698	0.5706

UK Index-Linked Tracker Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide a total return based on the performance of the gilt market as represented by the FTSE Actuaries UK Index-Linked All Stocks Index (or such similar Index as the ACD shall consider appropriate) by investment in a portfolio which will primarily consist of UK Index-Linked government gilts.

The investment objective of the Fund is to be achieved by investing in a portfolio of UK Index-Linked government gilts, other Sterling Loan Stocks and other investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest. The ACD will normally use a range of recognised indexation techniques to achieve the objective of tracking the FTSE Actuaries UK Index-Linked All Stocks Index. In so doing, the ACD may use discretion in deciding which investments included in the said index are to be included in the portfolio. The number of investments so included may vary and this may result in only a small number of such investments being included in the portfolio. The ACD reserves the right to exercise the full powers of the Fund in relation to borrowing and efficient portfolio management as and when it considers that the circumstances which then exist make it appropriate to do so.

If the said Index is replaced by a successor Index using (in the opinion of the ACD) the same or a substantially similar formula for (and method of) calculating the said Index then the ACD shall be entitled to determine (at its entire discretion) that such successor Index will be from the date of such determination substituted for the FTSE Actuaries UK Index-Linked All Stocks Index for the purposes of the investment objective and policy of the Fund.

Note: Being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes. The use of derivatives for this scheme type is restricted to efficient portfolio management.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>← Typically lower rewards, lower risks Typically higher rewards, higher risks →</p>						
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
UK Index-Linked Tracker Fund I Accumulation	(0.40)	19.68	(3.79)	9.45	17.35
UK Index-Linked Gilts Sector Average Return	0.67	19.33	(4.50)	10.14	18.56
FTSE Actuaries UK Index-Linked All Stocks Index	1.74	18.55	(3.80)	10.21	18.12
Realised Tracking Error†	0.05	0.06	0.07	0.10	n/a
Anticipated Tracking Error*	0.00-0.20	0.00-0.20	0.00-0.20	n/a	n/a

Source: Lipper for UK Index-Linked Tracker Fund and UK Index-Linked Gilts Sector Average Return (funds which invest at least 95% of their assets in Sterling denominated (or hedged back to Sterling) triple AAA rated government backed index linked securities, with at least 80% invested in UK Index Linked Gilts). Basis: Net revenue reinvested and net of expenses.

Source: Datastream for the FTSE Actuaries UK Index-Linked All Stocks Index (GBP). Basis: Gross revenue reinvested and gross of expenses.

†The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period.

*The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0-0.2%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark.

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.

UK government bonds have been volatile, influenced at different times by uncertainty over the timing of interest rate rises, higher-than-expected economic growth and expectations of higher inflation.

Returns from index-linked Gilts were negative between April and December, with index-linked bond yields moving higher and prices lower. Inflation-linked bonds are far from immune to the erratic swings we have seen in nominal bond yields, and real yields rose sharply amid increased volatility against a backdrop of declining liquidity. Between October and December, real yields were dragged higher by market participants entering short positions ahead of Bank of England asset purchase facility buybacks, which were focused on conventional Gilts. Further upward pressure on real yields was exhibited indirectly via weakness in nominal yields, after the European Central Bank's under-delivery on its latest round of monetary stimulus at the start of December.

However, UK inflation-linked government bonds recovered somewhat over the first three months of 2016, benefiting from investor nervousness and a consequent "flight to quality".

The benchmark FTA Index-Linked All Stocks Index returned 1.74% over the reporting period. This meant index-linked Gilts underperformed conventional (i.e. non index-linked) Gilts. The UK Index-Linked Tracker Fund returned (0.40)% net of fees.

Trading activity over the period continued to serve the objective of tracking the benchmark FTA Index Linked All Stocks Index. Changes to the portfolio during the review period were therefore confined to reflecting shifts in the yield curve and changes to the index. New money and coupon payments were invested to maintain a full replication of the benchmark index.

With inflationary pressures still subdued, and substantial fiscal tightening due over the next few years, we expect the Bank of England to keep interest rates on hold until the second quarter of 2017.

Aberdeen Asset Investments Limited

April 2016

UK Index-Linked Tracker Fund

Portfolio Statement

as at 31 March 2016

	Nominal Values	Market Value £000	Total Net Assets %
UK INDEX-LINKED GILTS (99.72%*)		650,145	99.75
UK Treasury 2.5% Index-Linked 26/07/2016	GBP9,633,000	30,855	4.73
UK Treasury 1.25% Index-Linked 22/11/2017	GBP14,446,500	20,223	3.10
UK Treasury 0.125% Index-Linked 22/11/2019	GBP9,979,000	11,041	1.69
UK Treasury 2.5% Index-Linked 16/04/2020	GBP8,023,300	28,954	4.45
UK Treasury 1.875% Index-Linked 22/11/2022	GBP19,199,200	29,401	4.51
UK Treasury 0.125% Index-Linked 22/03/2024	GBP18,590,300	21,837	3.35
UK Treasury 2.5% Index-Linked 17/07/2024	GBP8,318,300	28,535	4.38
UK Treasury 0.125% Index-Linked 22/03/2026	GBP5,402,500	6,030	0.93
UK Treasury 1.25% Index-Linked 22/11/2027	GBP17,281,600	29,272	4.49
UK Treasury 0.125% Index-Linked 22/03/2029	GBP17,353,700	21,570	3.31
UK Treasury 4.125% Index-Linked 22/07/2030	GBP5,904,200	19,856	3.05
UK Treasury 1.25% Index-Linked 22/11/2032	GBP16,414,200	27,108	4.16
UK Treasury 0.75% Index-Linked 22/03/2034	GBP17,769,100	26,030	3.99
UK Treasury 2% Index-Linked 26/01/2035	GBP11,078,100	26,039	3.99
UK Treasury 0.125% Index-Linked 22/11/2036	GBP1,284,000	1,571	0.24
UK Treasury 1.125% Index-Linked 22/11/2037	GBP15,934,100	30,219	4.64
UK Treasury 0.625% Index-Linked 22/03/2040	GBP16,695,800	28,029	4.30
UK Treasury 0.625% Index-Linked 22/11/2042	GBP14,524,300	25,782	3.96
UK Treasury 0.125% Index-Linked 22/03/2044	GBP19,178,700	26,941	4.13
UK Treasury 0.125% Index-Linked 22/03/2046	GBP9,134,300	12,262	1.88
UK Treasury 0.75% Index-Linked 22/11/2047	GBP14,252,800	28,378	4.35
UK Treasury 0.5% Index-Linked 22/03/2050	GBP14,904,200	28,160	4.32
UK Treasury 0.25% Index-Linked 22/03/2052	GBP14,592,600	23,380	3.59
UK Treasury 1.25% Index-Linked 22/11/2055	GBP12,401,300	34,352	5.27
UK Treasury 0.125% Index-Linked 22/03/2058	GBP12,436,100	19,656	3.02
UK Treasury 0.375% Index-Linked 22/03/2062	GBP15,219,900	30,180	4.63
UK Treasury 0.125% Index-Linked 22/11/2065	GBP3,354,200	5,744	0.88
UK Treasury 0.125% Index-Linked 22/03/2068	GBP15,365,900	28,740	4.41
Portfolio of investments		650,145	99.75
Net other assets		1,646	0.25
Total net assets		651,791	100.00

All holdings are admitted to official stock exchange listings unless otherwise stated.

*Comparative figures shown in brackets relate to 31 March 2015.

UK Index-Linked Tracker Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
UK Treasury 0.125% Index-Linked 22/03/2046	12,679	UK Treasury 2.5% Index-Linked 26/07/2016	3,602
UK Treasury 0.125% Index-Linked 22/03/2068	8,237	UK Treasury 1.125% Index-Linked 22/11/2037	3,589
UK Treasury 0.125% Index-Linked 22/03/2026	6,177	UK Treasury 0.75% Index-Linked 22/11/2047	3,094
UK Treasury 0.125% Index-Linked 22/11/2065	5,637	UK Treasury 1.25% Index-Linked 22/11/2055	2,818
UK Treasury 0.125% Index-Linked 22/03/2058	5,512	UK Treasury 1.875% Index-Linked 22/11/2022	2,720
UK Treasury 0.625% Index-Linked 22/03/2040	5,003	UK Treasury 0.75% Index-Linked 22/03/2034	2,640
UK Treasury 1.25% Index-Linked 22/11/2032	3,868	UK Treasury 1.25% Index-Linked 22/11/2027	2,633
UK Treasury 2.5% Index-Linked 26/07/2016	3,763	UK Treasury 0.125% Index-Linked 22/03/2044	2,427
UK Treasury 1.125% Index-Linked 22/11/2037	3,742	UK Treasury 0.375% Index-Linked 22/03/2062	2,425
UK Treasury 0.125% Index-Linked 22/03/2024	3,440	UK Treasury 2.5% Index-Linked 16/04/2020	2,423

UK Index-Linked Tracker Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Accumulation			
Change in net assets per share			
Opening net asset value per share	275.79	230.67	239.79
Return before operating charges*	0.19	46.02	(8.27)
Operating charges	(0.98)	(0.90)	(0.85)
Return after operating charges*	(0.79)	45.12	(9.12)
Closing net asset value per share	275.00	275.79	230.67
Retained distributions on accumulation shares	1.11	1.22	1.56
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges^	(0.29%)	19.56%	(3.80%)
Other information			
Closing net asset value (£'000)	3,146	3,573	42,015
Closing number of shares	1,144,065	1,295,565	18,213,985
Operating charges#	0.36%	0.36%	0.37%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	280.20	280.30	247.60
Lowest share price	260.50	230.50	219.20

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

UK Index-Linked Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class I - Income			
Change in net assets per share			
Opening net asset value per share	229.07	192.54	201.53
Return before operating charges*	0.13	38.28	(6.96)
Operating charges	(0.81)	(0.72)	(0.72)
Return after operating charges*	(0.68)	37.56	(7.68)
Distributions on income shares	(0.92)	(1.03)	(1.31)
Closing net asset value per share	227.47	229.07	192.54

*after direct transaction costs of:~

-

-

-

Performance

Return after charges	(0.30%)	19.51%	(3.81%)
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Other information

Closing net asset value (£'000)	284	286	68,036
Closing number of shares	124,723	124,723	35,336,299
Operating charges#	0.36%	0.36%	0.37%
Direct transaction costs~	0.00%	0.00%	0.00%

Prices

Highest share price	232.00	233.00	208.10
Lowest share price	216.30	192.40	183.90

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Index-Linked Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class W - Gross Accumulation			
Change in net assets per share			
Opening net asset value per share	119.40	99.50	100.00
Return before operating charges*	0.21	20.02	(0.38)
Operating charges	(0.13)	(0.12)	(0.12)
Return after operating charges*	0.08	19.90	(0.50)
Closing net asset value per share	119.48	119.40	99.50
Retained distributions on accumulation shares	0.90	0.93	0.03
*after direct transaction costs of:~	-	-	-
Performance			
Return after charges	0.07%	20.00%	(0.50%)
Other information			
Closing net asset value (£'000)	648,361	608,011	334,376
Closing number of shares	542,653,940	509,228,440	336,043,941
Operating charges#	0.11%	0.11%	0.12%
Direct transaction costs~	0.00%	0.00%	0.00%
Prices			
Highest share price	121.70	121.30	100.10
Lowest share price	112.90	99.42	98.75

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched 19 March 2014.

UK Index-Linked Tracker Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(3,730)		88,369
Revenue	3	5,650		9,385	
Expenses	4	(702)		(592)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		4,947		8,793	
Taxation	5	-		-	
Net revenue after taxation			4,947		8,793
Total return before distributions			1,217		97,162
Distributions	6		(4,712)		(4,439)
Change in net assets attributable to shareholders from investment activities			(3,495)		92,723

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		611,870		444,427
Amounts receivable on creation of shares*	61,172		104,707	
Less: Amounts payable on cancellation of shares*	(22,569)		(34,793)	
		38,603		69,914
Dilution adjustment*		78		291
Change in net assets attributable to shareholders from investment activities		(3,495)		92,723
Retained distribution on accumulation shares		4,735		4,515
Closing net assets attributable to shareholders		651,791		611,870

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 152.

Notes to the Financial Statements are on pages 152 to 157.

UK Index-Linked Tracker Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	Restated 31/03/15 £000
Assets			
Fixed assets			
Investments		650,145	610,167
Current assets			
Debtors	8	13,000	1,573
Cash and bank balances		320	210
Total assets		663,465	611,950
Liabilities			
Creditors			
Distribution payable*		(2)	(2)
Other creditors*	9	(11,672)	(78)
Total liabilities		(11,674)	(80)
Net assets attributable to shareholders		651,791	611,870

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 152.

Notes to the Financial Statements are on pages 152 to 157.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £77,809 (31/03/15: £116,319) have been reclassified from 'Amounts receivable on creation of shares' of £55,772 (31/03/15: £89,952) and 'Amounts payable on cancellation of shares' of £22,037 (31/03/15: £26,367).

'Income tax payable' totalling £1,594 (31/03/15: £1,797) has been reclassified from 'Other creditors' to 'Distribution payable'.

2. Net capital (losses)/gains

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

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Non-derivative securities	(3,727)	88,374
Transaction charges	(3)	(5)
Net capital (losses)/gains	<u>(3,730)</u>	<u>88,369</u>

3. Revenue

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Bank interest	-	1
Interest on debt securities	5,445	9,247
Stock lending revenue	205	137
Total revenue	<u>5,650</u>	<u>9,385</u>

4. Expenses

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	9	9
Registration fees	618	519
	<u>627</u>	<u>528</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	54	45
Safe custody fees	6	4
	<u>60</u>	<u>49</u>
Other expenses:		
Audit fee	15	15
Total expenses	<u>702</u>	<u>592</u>

Expenses include irrecoverable VAT where applicable.

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
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(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

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

Net revenue before taxation	4,947	8,793
Corporation tax of 20% (2015: 20%)	989	1,759
Effects of:		
Movement in excess management expenses	425	(899)
Relief for indexation on UK Gilts	(1,414)	(860)
Total tax charge for year	-	-

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential unrecognised deferred tax asset of £2,046,377 (31/03/15: £3,035,953) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
First interim	1,167	1,104
Second interim	1,184	1,143
Third interim	1,205	1,119
Final	1,180	1,151
Income tax withheld	4	4
	4,740	4,521
Add: Revenue deducted on cancellation of shares	20	27
Deduct: Revenue received on creation of shares	(48)	(109)
Net distributions for the year	4,712	4,439

Details of the distributions per share are set out in the Distribution Tables on page 158.

7. Movement between net revenue and net distributions

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Net revenue after taxation	4,947	8,793
Movement in net income as a result of conversions	-	1
Indexation and effective yield interest on bonds not distributed*	(235)	(4,355)
Net distributions for the year	4,712	4,439

*Refer to accounting policy 1(d) - Distribution.

as at 31 March 2016

8. Debtors

	31/03/16	31/03/15
	£000	£000
Sales awaiting settlement	484	-
Amounts receivable for issue of shares	11,113	203
Accrued revenue	1,403	1,370
Total debtors	13,000	1,573

9. Other creditors

	31/03/16	31/03/15
	£000	£000
Purchases awaiting settlement	10,978	-
Amounts payable for cancellation of shares	612	-
Accrued expenses	82	78
Total other creditors	11,672	78

10. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £55,410 (31/03/15: £50,401) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	88.51	85.34

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class I - Accumulation:	0.25
Share Class I - Income:	0.25
Share Class W - Gross Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 147 to 149.

The distributions per share class are given in the Distribution Tables on page 158.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening			Shares
	shares in issue	Creations	Cancellations	converted
				Closing shares
				in issue
Share Class I - Accumulation	1,295,565	50,500	(202,000)	-
Share Class I - Income	124,723	-	-	-
Share Class W - Gross Accumulation	509,228,440	52,227,500	(18,802,000)	-
Total	510,648,728	52,278,000	(19,004,000)	-

12. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

13. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £58,453,199 (31/03/2015: £109,328,995). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £63,296,519 (31/03/2015: £118,685,998). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £273,685 (31/03/15: £182,640) and £68,444 (31/03/15: £45,674).

	31/03/16	31/03/15
Counterparties	£000	£000
HSBC Bank	47,385	52,265
Morgan Stanley International	-	36,639
Societe Generale	11,068	20,425
Total securities on loan	<u>58,453</u>	<u>109,329</u>
	31/03/16	31/03/15
Collateral held	£000	£000
Bonds	-	61,734
Equities	63,297	56,952
Total collateral held	<u>63,297</u>	<u>118,686</u>

14. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 143. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

The Fund's financial assets and liabilities are all denominated in Sterling. As a result, the Fund does not have any exposure to currency movements.

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

The Fund receives revenue from holdings in fixed interest investments. Given that the Fund's objective is to provide high income, these cashflows are considered to be of primary importance and are actively managed.

The interest rate risk profile of the company's financial assets and liabilities at 31 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Net financial assets not carrying interest £000	Total £000
Currency				
31/03/16				
Sterling	320	650,145	1,326	651,791
31/03/15				
Sterling	210	610,167	1,493	611,870

The Fund's net cash holding of £320,488 (31/03/15: holding £210,399) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

As at 31 March 2016, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the UK Index-Linked Tracker Fund would have been an increase or decrease of approximately £1,625,362 (31/03/15: £1,525,417).

The Fund did not have any long term financial liabilities.

as at 31 March 2016

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	273,685	182,640
Direct operational costs and fees incurred	(54,755)	(36,539)
Indirect operational costs and fees incurred	(13,689)	(9,135)
Net revenue generated for Fund during the annual accounting period	<u>205,241</u>	<u>136,966</u>

Counterparties to financial derivative instruments and efficient portfolio management technique as at 31 March 2016

The Fund had no uncollateralised counterparty exposure at the year end as no derivative positions were held.

Collateral as at 31 March 2016

No collateral received.

(c) Liquidity risk

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

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

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

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

The Fund invests in index-linked securities. The value of index-linked securities is not fixed and may go down as well as up. Any change to the interest rates relevant for the particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. Changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

Debt security credit analysis

	01/04/15 to	01/04/14 to
	31/03/16	31/03/15
	£000	£000
Investment grade	<u>650,145</u>	<u>610,167</u>

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £6,501,448 (31/03/15: £6,101,667).

(e) Credit risk

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

as at 31 March 2016

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16	01/04/14 to 31/03/15	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	£000	£000	£000	£000
Fixed Income*	101,234	142,575	57,762	68,363
Total net trades in the year after transaction costs	101,234	142,575	57,762	68,363

*These types of transaction do not attract direct portfolio transaction costs.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.19% (31/03/2015: 0.15%).

16. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	650,145	-	610,167	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	650,145	-	610,167	-

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

17. Subsequent events

As at the balance sheet date the Net Asset Value per share (at sub-fund level) was 119.94p. The Net Asset Value per share was 133.52p on 28 July 2016. This represents an increase of 11.32% from the year end value. This increase is a result of market fluctuations.

UK Index-Linked Tracker Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 1 April 2015
 Second interim Shares purchased prior to 1 July 2015
 Third interim Shares purchased prior to 1 October 2015
 Final Shares purchased prior to 1 January 2016
- Group 2 First interim Shares purchased on or between 1 April 2015 and 30 June 2015
 Second interim Shares purchased on or between 1 July 2015 and 30 September 2015
 Third interim Shares purchased on or between 1 October 2015 and 31 December 2015
 Final Shares purchased on or between 1 January 2016 and 31 March 2016

Share Class I - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3560	0.0712	0.2848	-	0.2848	0.3233
Second interim	0.3496	0.0699	0.2797	-	0.2797	0.3104
Third interim	0.3550	0.0710	0.2840	-	0.2840	0.3001
Final	0.3303	0.0661	0.2642	-	0.2642	0.2877
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2208	0.0442	0.1766	0.1082	0.2848	0.3233
Second interim	0.1319	0.0264	0.1055	0.1742	0.2797	0.3104
Third interim	0.3380	0.0676	0.2704	0.0136	0.2840	0.3001
Final	0.3253	0.0651	0.2602	0.0040	0.2642	0.2877

Share Class I - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2954	0.0591	0.2363	-	0.2363	0.2857
Second interim	0.2899	0.0580	0.2319	-	0.2319	0.2580
Third interim	0.2938	0.0588	0.2350	-	0.2350	0.2500
Final	0.2731	0.0546	0.2185	-	0.2185	0.2360
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2954	0.0591	0.2363	-	0.2363	0.2857
Second interim	0.2894	0.0579	0.2315	0.0004	0.2319	0.2580
Third interim	0.2938	0.0588	0.2350	-	0.2350	0.2500
Final	0.2729	0.0546	0.2183	0.0002	0.2185	0.2360

Share Class W - Gross Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2267	-	0.2267	-	0.2267	0.2367
Second interim	0.2253	-	0.2253	-	0.2253	0.2325
Third interim	0.2271	-	0.2271	-	0.2271	0.2322
Final	0.2171	-	0.2171	-	0.2171	0.2251
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1232	-	0.1232	0.1035	0.2267	0.2367
Second interim	0.1811	-	0.1811	0.0442	0.2253	0.2325
Third interim	0.1280	-	0.1280	0.0991	0.2271	0.2322
Final	0.0997	-	0.0997	0.1174	0.2171	0.2251

UK Smaller Companies Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily UK smaller companies securities.

The Fund will invest in a diversified portfolio of primarily UK smaller company securities which may include, directly or indirectly, convertible securities, and as appropriate, warrants and traded options. Investments will mainly be in UK companies which, at the time of initial investment, are constituents of the Numis Smaller Companies excluding Investment Trust Index (or such similar index as the ACD shall consider appropriate).

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p>							<p>Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7							

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
UK Smaller Companies Fund A Accumulation	1.80	(5.48)	26.60	26.47	8.50
UK Smaller Companies Sector Average Return	8.13	(2.13)	30.33	19.42	1.37

Source: Lipper for UK Smaller Companies Fund and UK Smaller Companies Sector Average Return (funds which invest at least 80% of their assets in UK equities of companies which form the bottom 10% by market capitalisation). 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.

Small-cap UK equities rose in the year under review. Initially, stocks were buoyed by the Conservative election victory but this was overshadowed by the unfolding Greek debt drama and a poorly-communicated yuan devaluation. Beijing's less-than-assured policymaking and the sustained fall in the oil price triggered bouts of panic selling. The well-signalled US interest-rate normalisation in December hardly moved markets but turmoil in Chinese A-shares and the still-tumbling oil price resulted in another sell-off. Sentiment was also dampened by the UK's referendum on Brexit but the Fed's more measured interest rate policy and the European Central Bank's bolder-than-expected package of fresh stimulus proved mitigating.

For the year to end of March, the Fund rose by 1.80% in sterling terms.

At the stock level, Anite, RPC and Dechra Pharmaceuticals contributed to relative return. Anite's shares benefited the fund after the company received a recommended offer from Keysight Technologies. RPC released a solid set of interim results that included higher-than-expected savings from the Promens acquisition. In addition, it announced the acquisition of Global Closure Systems, as it continued to consolidate the industry. Dechra Pharmaceuticals traded strongly and announced the well-received acquisition of US generics business Putney Inc.

In contrast, The Restaurant Group, Fenner and JD Sports detracted from performance. The Restaurant Group cost the fund as it experienced a deterioration in trading, particularly at sites that are reliant on retail-driven footfall. Fenner's shares struggled as the weak coal price adversely affected demand for its coal-mining conveyor belts and not holding JD Sports detracted as its shares were buoyed by good demand for its products.

Investment Review (continued)

Stockmarkets are likely to remain under pressure from persistent global headwinds. In particular, investors fear that central banks in both the Continent and elsewhere have been compelled to impose negative interest rates because of the lack of viable alternatives and have run out of policy tools to boost economic growth. Notably, the Fed's unexpectedly dovish stance has sent the US dollar tumbling, and in relative terms resulted in a stronger euro, which is bad news for exporters. That said, we believe our invested companies will remain steadfast amid these headwinds, given their robust balance sheets, resilient businesses, and experienced management.

Aberdeen Asset Investments Limited

April 2016

UK Smaller Companies Fund

Portfolio Statement

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (5.42%*)		3,684	5.77
Chemicals			
Elementis	841,000	2,032	3.18
Victrex	99,000	1,652	2.59
CONSUMER GOODS (5.98%*)		4,333	6.78
Beverages			
A.G.Barr	185,000	980	1.54
Stock Spirits	467,000	692	1.08
Food Producers			
Devro	653,000	1,905	2.98
Household Goods & Home Construction			
Cairn Homes	836,663	756	1.18
Cairn Homes Rights Issue 13/04/2016	179,284	0	0.00
CONSUMER SERVICES (20.23%*)		9,791	15.34
General Retailers			
Dignity	55,000	1,375	2.15
Mothercare	739,000	1,332	2.09
Media			
Euromoney Institutional Investor	198,500	1,946	3.05
Huntsworth	1,663,000	665	1.04
Wilmington	829,000	2,189	3.43
Travel & Leisure			
Fuller Smith & Turner	151,000	1,586	2.49
Restaurant	179,000	698	1.09
FINANCIALS (14.26%*)		9,552	14.97
Equity Investment Instruments			
Burford Capital	256,307	733	1.15
Financial Services			
Numis	302,110	606	0.95
Rathbone Brothers	73,000	1,551	2.43
Life Insurance			
Chesnara	265,000	804	1.26
Real Estate Investment & Services			
Development Securities	677,000	1,252	1.96
Helical Bar	373,000	1,436	2.25
Savills	171,000	1,300	2.04
Real Estate Investment Trusts			
Hansteen**	1,761,000	1,870	2.93
HEALTH CARE (5.75%*)		5,027	7.88
Pharmaceuticals & Biotechnology			
Abcam	215,000	1,263	1.98
Dechra Pharmaceuticals	202,524	2,461	3.86
Genus	86,000	1,303	2.04

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
INDUSTRIALS (38.39%*)		27,228	42.67
Aerospace & Defence			
Ultra Electronics	100,000	1,833	2.87
Construction & Materials			
Keller	112,000	977	1.53
Morgan Sindall	230,500	1,824	2.86
Electronic & Electrical Equipment			
Oxford Instruments	246,000	1,658	2.60
TT electronics	631,729	965	1.51
Xaar	209,832	1,021	1.60
XP Power	167,000	2,655	4.16
General Industrials			
RPC	352,000	2,679	4.20
Industrial Engineering			
Fenner	767,000	1,007	1.58
Industrial Transportation			
BBA Aviation	833,040	1,683	2.64
James Fisher & Sons	168,000	2,211	3.46
Support Services			
Acal	694,000	1,666	2.61
Berendsen	172,500	2,084	3.27
Exova	662,000	1,051	1.65
Interserve	282,000	1,284	2.01
Robert Walters	470,000	1,424	2.23
Smart Metering Systems	297,000	1,206	1.89
OIL & GAS (0.98%*)		498	0.78
Oil & Gas Producers			
EnQuest	2,491,000	498	0.78
TECHNOLOGY (5.13%*)		1,632	2.56
Software & Computer Services			
AVEVA	103,000	1,632	2.56
TELECOMMUNICATIONS (1.42%*)		1,418	2.22
Fixed Line Telecommunications			
Manx Telecom	669,000	1,418	2.22
UTILITIES (0.01%*)		-	-
Portfolio of investments		63,163	98.97
Net other assets		659	1.03
Total net assets		63,822	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 March 2015.

** Unlisted securities.

UK Smaller Companies Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
Interserve	1,579	Anite	2,801
Genus	1,291	RPC	1,412
Exova	1,216	Bloomsbury Publishing	1,295
BBA Aviation Rights Issue	1,106	Bellway	1,286
Smart Metering Systems	1,018	Domino Printing Sciences	1,086
Chesnara	913	Greggs	1,084
Stock Spirits	824	TT electronics	860
Cairn Homes	767	Wilmington	854
James Fisher & Sons	691	BBA Aviation	822
Burford Capital	547	Dignity	720

UK Smaller Companies Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	321.73	341.36	269.84
Return before operating charges*	12.17	(14.52)	76.53
Operating charges	(5.47)	(5.11)	(5.01)
Return after operating charges*	6.70	(19.63)	71.52
Closing net asset value per share	328.43	321.73	341.36
Retained distributions on accumulation shares	3.60	3.76	3.52
*after direct transaction costs of:~	0.36	1.51	1.40
Performance			
Return after charges^	2.08%	(5.75%)	26.50%
Other information			
Closing net asset value (£'000)	15,869	16,499	19,059
Closing number of shares	4,831,603	5,128,203	5,583,303
Operating charges#	1.63%	1.63%	1.63%
Direct transaction costs~	0.11%	0.48%	0.45%
Prices			
Highest share price	358.80	350.10	355.40
Lowest share price	298.40	282.00	261.30

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

UK Smaller Companies Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	331.38	350.72	276.55
Return before operating charges*	12.55	(14.89)	78.52
Operating charges	(4.79)	(4.45)	(4.35)
Return after operating charges*	7.76	(19.34)	74.17
Closing net asset value per share	339.14	331.38	350.72
Retained distributions on accumulation shares	4.58	4.67	4.41
*after direct transaction costs of:~	0.38	1.56	1.43
Performance			
Return after charges	2.34%	(5.51%)	26.82%
Other information			
Closing net asset value (£'000)	323	390	443
Closing number of shares	95,285	117,785	126,185
Operating charges#	1.38%	1.38%	1.38%
Direct transaction costs~	0.11%	0.48%	0.45%
Prices			
Highest share price	369.90	359.70	365.10
Lowest share price	308.00	290.10	267.80

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Smaller Companies Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	351.93	370.61	290.76
Return before operating charges*	13.29	(15.68)	82.78
Operating charges	(3.24)	(3.00)	(2.93)
Return after operating charges*	10.05	(18.68)	79.85
Closing net asset value per share	361.98	351.93	370.61
Retained distributions on accumulation shares	6.71	6.65	6.33
*after direct transaction costs of:~	0.40	1.65	1.51
Performance			
Return after charges	2.86%	(5.04%)	27.46%
Other information			
Closing net asset value (£'000)	25,901	27,197	31,010
Closing number of shares	7,155,345	7,727,545	8,367,445
Operating charges#	0.88%	0.88%	0.88%
Direct transaction costs~	0.11%	0.48%	0.45%
Prices			
Highest share price	393.50	380.10	385.60
Lowest share price	328.60	307.40	281.60

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Smaller Companies Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class X - Accumulation			
Change in net assets per share			
Opening net asset value per share	387.67	405.18	315.48
Return before operating charges*	14.61	(17.02)	90.17
Operating charges	(0.53)	(0.49)	(0.47)
Return after operating charges*	14.08	(17.51)	89.70
Closing net asset value per share	401.75	387.67	405.18
Retained distributions on accumulation shares	10.47	10.11	9.63
*after direct transaction costs of:~	0.44	1.81	1.66
Performance			
Return after charges	3.63%	(4.32%)	28.43%
Other information			
Closing net asset value (£'000)	21,729	23,412	26,302
Closing number of shares	5,408,714	6,039,314	6,491,514
Operating charges#	0.13%	0.13%	0.13%
Direct transaction costs~	0.11%	0.48%	0.45%
Prices			
Highest share price	434.60	415.60	421.40
Lowest share price	364.30	337.50	305.70

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Prices for share class X are not published as this is an internal share class.

UK Smaller Companies Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		730		(5,351)
Revenue	3	1,842		1,934	
Expenses	4	(545)		(545)	
Interest payable and similar charges		-		-	
Net revenue before taxation		1,297		1,389	
Taxation	5	-		(9)	
Net revenue after taxation			1,297		1,380
Total return before distributions			2,027		(3,971)
Distributions	6		(1,297)		(1,380)
Change in net assets attributable to shareholders from investment activities			730		(5,351)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		67,498		76,814
Amounts receivable on creation of shares*	643		1,103	
Less: Amounts payable on cancellation of shares*	(6,298)		(6,425)	
		(5,655)		(5,322)
Dilution adjustment*		24		35
Stamp duty reserve tax**		-		(1)
Change in net assets attributable to shareholders from investment activities		730		(5,351)
Retained distribution on accumulation shares		1,225		1,323
Closing net assets attributable to shareholders		63,822		67,498

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 170.

**Abolished from 30 March 2014.

Notes to the Financial Statements are on pages 170 to 176.

UK Smaller Companies Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	31/03/15 £000
Assets			
Investments		<u>63,163</u>	<u>65,855</u>
Current assets			
Debtors	7	520	262
Cash and bank balances		<u>410</u>	<u>1,524</u>
Total assets		<u>64,093</u>	<u>67,641</u>
Liabilities			
Other creditors	8	<u>(271)</u>	<u>(143)</u>
Total liabilities		<u>(271)</u>	<u>(143)</u>
Net assets attributable to shareholders		<u>63,822</u>	<u>67,498</u>

Notes to the Financial Statements are on pages 170 to 176.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £24,275 (31/03/15: £24,941) have been reclassified from 'Amounts receivable on creation of shares' of £4,004 (31/03/15: £7,314) and 'Amounts payable on cancellation of shares' of £20,271 (31/03/15: £17,627).

2. Net capital gains/(losses)

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Non-derivative securities	722	(5,346)
Currency gains	1	-
Transaction charges	(3)	(5)
Dealing cost reimbursement*	10	-
Net capital gains/(losses)	<u>730</u>	<u>(5,351)</u>

*Commissions refund on trades charged at Commission Sharing Agreement rates.

3. Revenue

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
UK dividends	1,497	1,649
Overseas non-taxable revenue	176	165
Property revenue from UK REITs - PID	51	24
Property revenue from UK REITs - Non PID	89	60
Bank interest	1	4
Stock lending revenue	15	20
Underwriting commission	13	12
Total revenue	<u>1,842</u>	<u>1,934</u>

4. Expenses

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	462	462
Registration fees	68	68
	<u>530</u>	<u>530</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	6	6
Other expenses:		
Audit fee	9	9
Total expenses	<u>545</u>	<u>545</u>

Expenses include irrecoverable VAT where applicable.

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	-	9
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	1,297	1,389
Corporation tax of 20% (2015: 20%)	259	278
Effects of:		
UK dividends*	(299)	(330)
Overseas non-taxable revenue	(35)	(33)
Movement in excess management expenses	93	97
Irrecoverable overseas tax	-	9
Property revenue from UK REITs - Non PID*	(18)	(12)
Total tax charge for year (note 5a)	-	9

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

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

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,190,476 (31/03/15: £5,097,498) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Final	1,225	1,323
Add: Revenue deducted on cancellation of shares	77	66
Deduct: Revenue received on creation of shares	(5)	(9)
Net distributions for the year	1,297	1,380

Details of the distribution per share is set out in the Distribution Tables on page 177.

7. Debtors

	31/03/16 £000	31/03/15 £000
Sales awaiting settlement	348	-
Amounts receivable for issue of shares	-	10
Accrued revenue	172	252
Total debtors	520	262

as at 31 March 2016

8. Other creditors

	31/03/16	31/03/15
	£000	£000
Purchases awaiting settlement	151	43
Amounts payable for cancellation of shares	66	42
Accrued expenses	54	58
Total other creditors	<u>271</u>	<u>143</u>

9. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £42,013 (31/03/15: £44,526) due at the year end.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	28.24	28.95

10. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class A - Accumulation:	1.50
Share Class B - Accumulation:	1.25
Share Class C - Accumulation:	0.75
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 164 to 167.

The distributions per share class are given in the Distribution Tables on page 177.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16
	Opening			Shares Closing shares
	shares in issue	Creations	Cancellations	converted in issue
Share Class A - Accumulation	5,128,203	88,400	(385,000)	- 4,831,603
Share Class B - Accumulation	117,785	-	(22,500)	- 95,285
Share Class C - Accumulation	7,727,545	20,700	(592,900)	- 7,155,345
Share Class X - Accumulation	6,039,314	65,700	(696,300)	- 5,408,714
Total	<u>19,012,847</u>	<u>174,800</u>	<u>(1,696,700)</u>	<u>- 17,490,947</u>

11. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

as at 31 March 2016

12. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £10,241,031 (31/03/2015: £6,947,373). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £10,987,274 (31/03/2015: £7,426,167). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £20,023 (31/03/15: £27,008) and £5,017 (31/03/15: £6,759).

	31/03/16	31/03/15
	£000	£000
Counterparties		
ABN AMRO Bank	85	3
Barclays	825	-
Credit Suisse Securities (Europe)	1,205	-
Deutsche Bank	1,282	2,098
Goldman Sachs International	2,974	1,259
HSBC Bank	-	33
ING Bank	4	202
JP Morgan Securities	67	1,599
Merrill Lynch	2,482	108
Morgan Stanley International	662	1,645
Societe Generale	655	-
Total securities on loan	<u>10,241</u>	<u>6,947</u>
	31/03/16	31/03/15
	£000	£000
Collateral held		
Bonds	3,230	2,099
Equities	2,453	3,845
Cash	5,304	1,482
Total collateral held	<u>10,987</u>	<u>7,426</u>

13. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 159. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A small portion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the UK Smaller Companies Fund would have been an increase or decrease of approximately £6,924 (31/03/15: £nil).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/03/16	Currency exposure 31/03/15
	£000	£000
Currency		
Euro	<u>692</u>	<u>-</u>

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

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

The Fund's net cash holding of £410,365 (31/03/15: holding £1,524,378) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

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

The Fund did not have any long term financial liabilities.

as at 31 March 2016

(c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. Such exposure to the various markets is balanced through tactical allocation of futures contracts. These contracts were traded on an eligible derivatives exchange.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the year end, as the sensitivity analysis or value at risk are not significant, no additional disclosure has been shown.

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	20,023	27,008
Direct operational costs and fees incurred	(4,014)	(5,407)
Indirect operational costs and fees incurred	(1,003)	(1,352)
Net revenue generated for Fund during the annual accounting period	<u>15,006</u>	<u>20,249</u>

Counterparties to financial derivative instruments and efficient portfolio management technique as at 31 March 2016

The Fund had no uncollateralised counterparty exposure at the year end as no derivative positions were held.

Collateral

No collateral received.

(d) Liquidity risk

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

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

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

(e) Market price risk and fair value of financial assets and liabilities

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £631,629 (31/03/15: £658,553).

(f) Credit risk

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

as at 31 March 2016

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Equities	14,523	58,643	18,016	63,668
Trades in the year before transaction costs	14,523	58,643	18,016	63,668
Commissions				
Equities	9	40	(13)	(46)
Taxes				
Equities	56	254	-	-
Total costs	65	294	(13)	(46)
Total net trades in the year after transaction costs	14,588	58,937	18,003	63,622

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions				
Equities	0.06	0.07	0.07	0.07
Taxes				
Equities	0.39	0.43	-	-

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

	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions (%) - Purchases	0.01	0.06
Taxes (%) - Purchases	0.08	0.37
Commissions (%) - Sales	0.02	0.07

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equity securities, broker commissions and transfer taxes may be paid on each transaction.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.50% (31/03/2015: 0.51%).

as at 31 March 2016

15. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	63,163	-	65,855	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>63,163</u>	<u>-</u>	<u>65,855</u>	<u>-</u>

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

UK Smaller Companies Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 April 2015

Group 2 Final Shares purchased on or between 1 April 2015 and 31 March 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	3.6039	-	3.6039	3.7609
Group 2	(p)	(p)	(p)	(p)
Final	1.7402	1.8637	3.6039	3.7609

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	4.5765	-	4.5765	4.6713
Group 2	(p)	(p)	(p)	(p)
Final	4.5680	0.0085	4.5765	4.6713

Share Class C - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	6.7118	-	6.7118	6.6532
Group 2	(p)	(p)	(p)	(p)
Final	2.9954	3.7164	6.7118	6.6532

Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/05/2016	Distribution paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Final	10.4669	-	10.4669	10.1051
Group 2	(p)	(p)	(p)	(p)
Final	6.3490	4.1179	10.4669	10.1051

Corporate shareholder information (unaudited) for all share classes

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

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

UK Tracker Fund

Investment Markets Overview

for the year ended 31 March 2016

Investment Objective and Policy

To track the capital performance of the UK Equity Market as represented by the FTSE-100 Index (or such similar Index as the ACD shall consider appropriate) by investing in UK investments.

The Fund will invest in a portfolio that is normally comprised of all the shares of the FTSE-100 Index. Where appropriate, the ACD may also use sampling techniques and derivatives to achieve the objective of tracking the Index. The ACD may use discretion regarding the inclusion of stocks entering or exiting the Index within the Fund.

If the said Index is replaced by a successor Index using (in the opinion of the ACD) the same or a substantially similar formula for (and method of) calculating the said Index then the ACD shall be entitled to determine (at its entire discretion) that such successor Index will be from the date of such determination substituted for the FTSE-100 Index for the purposes of the investment objective and policy of the Fund.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

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

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

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8 February 2016.</p>	<p>Typically lower rewards, lower risks ←</p>						
	<p>Typically higher rewards, higher risks →</p>						
	1	2	3	4	5	6	7

Investment Review

Performance	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/13 to 31/03/14 %	01/04/12 to 31/03/13 %	01/04/11 to 31/03/12 %
UK Tracker Fund A Accumulation	(7.35)	6.88	6.28	14.57	(0.76)
UK All Companies Sector Average Return	(2.60)	5.74	14.03	17.47	0.39
FTSE 100 Index	(5.26)	6.34	6.66	15.45	1.24
Realised Tracking Error†	0.05	0.05	0.05	0.10	n/a
Anticipated Tracking Error*	0.00-0.20	0.00-0.20	0.00-0.20	n/a	n/a

Source: Lipper for UK Tracker Fund and UK All Companies Sector Average Return (funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth). Basis: Net revenue reinvested and net of expenses.

Source: Rimes for the FTSE 100 Index (GBP). Basis: Gross revenue reinvested and gross of expenses.

†The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period.

*The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0-0.2%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark.

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.

UK equity markets were down over the 12 month review period. Weakness in energy and commodity prices had a negative influence throughout 2015 because of the large number of global oil and mining companies that are listed in the UK.

In November, the Bank of England highlighted that the prospect of sustained inflation is remote and that the problems being faced by China and other developing economies could lead to the UK's recovery fizzling out. Accordingly, interest rates were once more held at 0.5%.

Investment Review (continued)

But in the US, the Federal Reserve has started the process of raising interest rates for the first time since the onset of the financial crisis. Investors had also been nervous ahead of the Federal Reserve's December rate-setting meeting. When rates were eventually raised, the move was taken as an expression of confidence in the strength of the US economy. While stock markets across the world recovered some of their previous losses from earlier in 2015, the UK market nevertheless finished slightly lower over December.

The possibility that the UK might leave the European Union (or 'Brexit' as it has become known in the media) was the most-talked-about topic in recent months. The date of the referendum was announced as 23 June, prompting several politicians to announce whether they would be campaigning for the UK to remain in or leave the 28-nation bloc.

Chancellor George Osborne announced his latest budget in March. This was always likely to be a relatively subdued affair ahead of the referendum and contained little of material influence at a macro-economic level.

In terms of activity and composition, the Fund continued to mirror the FTSE 100 Index. We therefore periodically rebalanced its holdings in accordance with the changes that index provider FTSE made at its quarterly reviews.

Over the period, the best performers in the FTSE 100 Index included Paddy Power, Betfair, DCC, Fresnillo, Randgold Resources and Sage Group. Conversely, among the worst performers were Standard Chartered, Anglo American, Glencore, BHP Billiton and Pearson.

The UK economy appears to have had more momentum entering 2016 than previously thought, with upward revisions to gross domestic product (GDP) growth in 2015 Q4 (to 0.6% from 0.5%) and earlier quarters. Behind the headline GDP figures, however, the economy remains unbalanced. The current account deficit widened to a record 7% of GDP in 2015 Q4, reflecting a sharp drop in returns on investment abroad.

Aberdeen Asset Investments Limited

April 2016

UK Tracker Fund

Portfolio Statement

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (7.44%*)		19,487	5.27
Chemicals			
Johnson Matthey	44,648	1,220	0.33
Forestry & Paper			
Mondi	84,725	1,144	0.31
Mining			
Anglo American	301,453	1,615	0.44
Antofagasta	81,879	385	0.10
BHP Billiton	487,263	3,866	1.05
Fresnillo	39,103	367	0.10
Glencore	2,689,968	4,075	1.10
Randgold Resources	21,418	1,345	0.36
Rio Tinto	277,301	5,470	1.48
CONSUMER GOODS (16.51%*)		75,995	20.55
Automobiles & Parts			
GKN	395,352	1,161	0.31
Beverages			
Coca-Cola HBC	45,538	684	0.19
Diageo	581,077	11,014	2.98
SABMiller	218,098	9,289	2.51
Food Producers			
Associated British Foods	80,396	2,708	0.73
Unilever	278,333	8,877	2.40
Household Goods & Home Construction			
Barratt Developments	229,730	1,309	0.35
Berkeley	29,042	944	0.26
Persimmon	70,564	1,483	0.40
Reckitt Benckiser	143,946	9,747	2.64
Taylor Wimpey	745,307	1,421	0.38
Personal Goods			
Burberry	102,208	1,400	0.38
Tobacco			
British American Tobacco	426,763	17,391	4.70
Imperial Tobacco	222,265	8,567	2.32
CONSUMER SERVICES (10.68%*)		43,953	11.90
Food & Drug Retailers			
J Sainsbury	325,799	915	0.25
Tesco	1,874,011	3,631	0.98
Wm Morrison Supermarkets	504,308	1,019	0.28
General Retailers			
Dixons Carphone	229,523	981	0.27
Kingfisher	538,067	2,031	0.55
Marks & Spencer	379,603	1,536	0.42
Next	33,970	1,889	0.51

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
Media			
Informa	149,623	1,041	0.28
ITV	863,673	2,101	0.57
Pearson	187,585	1,698	0.46
RELX	258,106	3,368	0.91
Sky	241,918	2,499	0.68
WPP	298,993	4,886	1.32
Travel & Leisure			
Carnival	42,099	1,554	0.42
Compass	380,118	4,675	1.26
easyJet	57,316	871	0.24
InterContinental Hotels	54,537	1,540	0.42
International Consolidated Airlines	422,738	2,348	0.64
Merlin Entertainments	163,715	751	0.20
Paddy Power Betfair	19,089	1,827	0.49
TUI	108,724	1,117	0.30
Whitbread	42,095	1,675	0.45
FINANCIALS (23.16%*)		74,108	20.03
Banks			
Barclays	3,863,575	5,859	1.58
HSBC	4,466,169	19,519	5.28
Lloyds Banking†	14,723,593	9,981	2.70
Royal Bank of Scotland	743,380	1,663	0.45
Standard Chartered	619,247	2,923	0.79
Financial Services			
3i	222,306	1,025	0.28
Hargreaves Lansdown	50,336	670	0.18
London Stock Exchange	71,985	2,029	0.55
Provident Financial	34,480	1,020	0.28
Schroders	26,072	707	0.19
Life Insurance			
Aviva	933,309	4,289	1.16
Legal & General	1,369,879	3,223	0.87
Old Mutual	1,127,504	2,217	0.60
Prudential	588,683	7,665	2.07
St James's Place	119,569	1,107	0.30
Standard Life	451,250	1,611	0.43
Nonequity Investment Instruments			
Aberdeen Global Liquidity Sterling Fund Advisory◇	824	1	0.00
Nonlife Insurance			
Admiral	45,717	900	0.24
Direct Line Insurance	317,217	1,183	0.32
RSA Insurance	234,300	1,118	0.30
Real Estate Investment Trusts			
British Land	238,328	1,688	0.46
Hammerson	180,936	1,042	0.28
Intu Properties	219,317	692	0.19
Land Securities	181,493	1,976	0.53

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
HEALTH CARE (10.22%*)		35,735	9.66
Health Care Equipment & Services			
Mediclinic International	90,991	822	0.22
Smith & Nephew	206,864	2,375	0.64
Pharmaceuticals & Biotechnology			
AstraZeneca	291,137	11,398	3.08
GlaxoSmithKline	1,121,623	15,832	4.28
Shire	135,615	5,308	1.44
INDUSTRIALS (7.16%*)		27,083	7.33
Aerospace & Defence			
BAE Systems	729,683	3,736	1.01
Rolls-Royce	424,170	2,927	0.79
Construction & Materials			
CRH	187,979	3,731	1.01
General Industrials			
Rexam	162,054	1,024	0.28
Industrial Transportation			
Royal Mail	210,042	1,018	0.28
Support Services			
Ashtead	116,121	1,010	0.27
Babcock International	115,857	1,095	0.30
Bunzl	76,596	1,556	0.42
Capita	152,699	1,600	0.43
DCC	21,218	1,312	0.35
Experian	224,601	2,796	0.76
Intertek	37,085	1,178	0.32
Travis Perkins	56,951	1,043	0.28
Wolseley	60,050	2,398	0.65
Worldpay	242,153	659	0.18
OIL & GAS (13.66%*)		46,317	12.52
Oil & Gas Producers			
BP	4,234,118	15,052	4.07
Royal Dutch Shell 'A' Shares	971,120	16,567	4.48
Royal Dutch Shell 'B' Shares	857,520	14,698	3.97
TECHNOLOGY (1.16%*)		4,890	1.32
Software & Computer Services			
Sage	248,475	1,559	0.42
Technology Hardware & Equipment			
ARM	325,631	3,331	0.90
TELECOMMUNICATIONS (5.46%*)		23,244	6.29
Fixed Line Telecommunications			
BT	1,930,815	8,610	2.33
Mobile Telecommunications			
Inmarsat	103,336	997	0.27
Vodafone	6,128,972	13,637	3.69

UK Tracker Fund

Portfolio Statement

(continued)

as at 31 March 2016

	Holdings	Market Value £000	Total Net Assets %
UTILITIES (4.10%*)		17,430	4.73
Electricity			
SSE	227,797	3,431	0.93
Gas, Water & Multiutilities			
Centrica	1,165,529	2,687	0.73
National Grid	870,221	8,646	2.34
Severn Trent	54,925	1,204	0.33
United Utilities	157,294	1,462	0.40
DERIVATIVES (0.02%*)		32	0.01
Futures			
FTSE 100 Index Futures June 2016	52	32	0.01
Portfolio of investments		368,274	99.61
Net other assets		1,437	0.39
Total net assets		369,711	100.00

All investments held are listed, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

*Comparative figures shown in brackets relate to 31 March 2015.

†This investment is a related party (see note 11).

◇Asset managed by the Fund's Investment Adviser.

UK Tracker Fund

Material Portfolio Changes

for the year ended 31 March 2016

	Cost £000		Proceeds £000
Major purchases		Major sales	
Aberdeen Global Liquidity Sterling Fund Advisory◇	21,260	Aberdeen Global Liquidity Sterling Fund Advisory◇	25,774
FTSE 100 Index Futures December 2015	18,503	FTSE 100 Index Futures December 2015	18,164
FTSE 100 Index Futures September 2015	12,879	FTSE 100 Index Futures June 2015	18,043
FTSE 100 Index Futures March 2016	11,128	FTSE 100 Index Futures September 2015	12,456
FTSE 100 Index Futures June 2015	10,213	FTSE 100 Index Futures March 2015	11,383
FTSE 100 Index Futures June 2016	5,511	FTSE 100 Index Futures June 2016	2,383
Lloyds Banking†	1,793	HSBC	1,671
Paddy Power Betfair	1,709	Royal Dutch Shell 'B' Shares	1,308
DCC	1,179	Smiths	1,037
HSBC	1,150	Aggreko	844

Purchases and sales of Futures have been included at the value of their exposure.

†This investment is a related party (see note 11).

◇Asset managed by the Fund's Investment Adviser.

UK Tracker Fund

Comparative table

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	273.43	255.76	240.58
Return before operating charges*	(17.51)	20.30	17.69
Operating charges	(2.58)	(2.63)	(2.51)
Return after operating charges*	(20.09)	17.67	15.18
Closing net asset value per share	253.34	273.43	255.76
Retained distributions on accumulation shares	7.64	6.68	6.60
*after direct transaction costs of:~	0.02	-	0.01
Performance			
Return after charges^	(7.35%)	6.91%	6.31%
Other information			
Closing net asset value (£'000)	58,647	67,640	66,155
Closing number of shares	23,149,305	24,738,005	25,866,505
Operating charges#	1.00%	1.00%	1.00%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	282.90	279.00	264.80
Lowest share price	224.30	242.90	228.90

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

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

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class A - Income			
Change in net assets per share			
Opening net asset value per share	173.75	166.68	160.98
Return before operating charges*	(11.30)	13.11	11.76
Operating charges	(1.62)	(1.70)	(1.66)
Return after operating charges*	(12.92)	11.41	10.10
Distributions on income shares	(4.83)	(4.34)	(4.40)
Closing net asset value per share	156.00	173.75	166.68
*after direct transaction costs of:~	0.02	-	0.01
Performance			
Return after charges	(7.44%)	6.85%	6.27%
Other information			
Closing net asset value (£'000)	4,669	5,186	5,072
Closing number of shares	2,992,997	2,984,497	3,042,997
Operating charges#	1.00%	1.00%	1.00%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	179.80	179.30	174.60
Lowest share price	140.10	156.10	153.20

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	291.94	271.68	254.24
Return before operating charges*	(18.61)	21.66	18.77
Operating charges	(1.38)	(1.40)	(1.33)
Return after operating charges*	(19.99)	20.26	17.44
Closing net asset value per share	271.95	291.94	271.68
Retained distributions on accumulation shares	9.60	8.57	8.41
*after direct transaction costs of:~	0.03	-	0.01
Performance			
Return after charges	(6.85%)	7.46%	6.86%
Other information			
Closing net asset value (£'000)	18,005	18,522	11,607
Closing number of shares	6,620,817	6,344,317	4,272,117
Operating charges#	0.50%	0.50%	0.50%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	302.20	297.90	281.10
Lowest share price	240.60	258.70	242.20

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class B - Income			
Change in net assets per share			
Opening net asset value per share	172.83	165.78	160.12
Return before operating charges*	(11.29)	13.05	11.69
Operating charges	(0.81)	(0.85)	(0.83)
Return after operating charges*	(12.10)	12.20	10.86
Distributions on income shares	(5.60)	(5.15)	(5.20)
Closing net asset value per share	155.13	172.83	165.78
*after direct transaction costs of:~	0.02	-	0.01
Performance			
Return after charges	(7.00%)	7.36%	6.78%
Other information			
Closing net asset value (£'000)	108,352	124,535	125,064
Closing number of shares	69,847,006	72,058,006	75,439,406
Operating charges#	0.50%	0.50%	0.50%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	178.90	178.80	174.00
Lowest share price	139.50	155.30	152.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class G - Accumulation			
Change in net assets per share			
Opening net asset value per share	127.12	118.94	111.91
Return before operating charges*	(8.12)	9.40	8.19
Operating charges	(1.19)	(1.22)	(1.16)
Return after operating charges*	(9.31)	8.18	7.03
Closing net asset value per share	117.81	127.12	118.94
Retained distributions on accumulation shares	3.54	3.10	3.07
*after direct transaction costs of:~	0.01	-	0.01
Performance			
Return after charges	(7.32%)	6.88%	6.28%
Other information			
Closing net asset value (£'000)	1,529	990	484
Closing number of shares	1,297,700	778,800	406,900
Operating charges#	1.00%	1.00%	1.00%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	131.50	129.70	123.10
Lowest share price	104.30	112.90	106.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class G - Income			
Change in net assets per share			
Opening net asset value per share	119.53	114.67	110.76
Return before operating charges*	(7.79)	9.00	8.07
Operating charges	(1.11)	(1.17)	(1.14)
Return after operating charges*	(8.90)	7.83	6.93
Distributions on income shares	(3.30)	(2.97)	(3.02)
Closing net asset value per share	107.33	119.53	114.67
*after direct transaction costs of:~	0.01	-	0.01
Performance			
Return after charges	(7.45%)	6.83%	6.26%
Other information			
Closing net asset value (£'000)	202	177	132
Closing number of shares	188,400	147,700	115,300
Operating charges#	1.00%	1.00%	1.00%
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	123.70	123.40	120.10
Lowest share price	96.36	107.40	105.40

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

UK Tracker Fund

Comparative table

(continued)

as at 31 March 2016

	31/03/16 (p)	31/03/15 (p)	31/03/14 (p)
Share Class X - Accumulation			
Change in net assets per share			
Opening net asset value per share	310.57	287.67	267.92
Return before operating charges*	(19.98)	22.90	19.75
Operating charges	-	-	-
Return after operating charges*	(19.98)	22.90	19.75
Closing net asset value per share	290.59	310.57	287.67
Retained distributions on accumulation shares	11.59	10.46	10.19
*after direct transaction costs of:~	0.03	-	0.01
Performance			
Return after charges	(6.43%)	7.96%	7.37%
Other information			
Closing net asset value (£'000)	178,307	208,243	205,361
Closing number of shares	61,359,896	67,051,396	71,388,596
Operating charges#	-	-	-
Direct transaction costs~	0.01%	0.00%	0.01%
Prices			
Highest share price	321.50	316.80	297.60
Lowest share price	257.00	274.60	255.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the IMA SORP 2014.

#Operating charges are representative of the ongoing charges figure.

Prices for share class X are not published as this is an internal share class.

UK Tracker Fund

Statement of Total Return

for the year ended 31 March 2016

	Notes	01/04/15 to 31/03/16		01/04/14 to 31/03/15	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(42,568)		17,405
Revenue	3	15,468		14,896	
Expenses	4	(1,339)		(1,428)	
Interest payable and similar charges		-		-	
Net revenue before taxation		14,129		13,468	
Taxation	5	(92)		(87)	
Net revenue after taxation			14,037		13,381
Total return before distributions			(28,531)		30,786
Distributions	6		(14,037)		(13,375)
Change in net assets attributable to shareholders from investment activities			(42,568)		17,411

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2016

	01/04/15 to 31/03/16		Restated 01/04/14 to 31/03/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		425,293		413,875
Amounts receivable on creation of shares*	13,720		15,882	
Less: Amounts payable on cancellation of shares*	(36,587)		(31,375)	
		(22,867)		(15,493)
Dilution adjustment*		74		151
Change in net assets attributable to shareholders from investment activities		(42,568)		17,411
Retained distribution on accumulation shares		9,776		9,343
Unclaimed distributions		3		6
Closing net assets attributable to shareholders		369,711		425,293

*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 194.

Notes to the Financial Statements are on pages 194 to 201.

UK Tracker Fund

Balance Sheet

as at 31 March 2016

	Notes	31/03/16 £000	31/03/15 £000
Assets			
Fixed assets			
Investments		<u>368,274</u>	<u>423,446</u>
Current assets			
Debtors	8	2,770	3,124
Cash and bank balances	9	<u>1,363</u>	<u>1,222</u>
Total assets		<u>372,407</u>	<u>427,792</u>
Liabilities			
Creditors			
Distribution payable		(1,854)	(1,792)
Other creditors	10	<u>(842)</u>	<u>(707)</u>
Total liabilities		<u>(2,696)</u>	<u>(2,499)</u>
Net assets attributable to shareholders		<u>369,711</u>	<u>425,293</u>

Notes to the Financial Statements are on pages 194 to 201.

Notes to the Financial Statements

as at 31 March 2016

1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 8 to 10.

As noted on page 8, during the year the sub-fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £74,366 (31/03/15: £79,561) have been reclassified from 'Amounts receivable on creation of shares' of £60,385 (31/03/15: £67,054) and 'Amounts payable on cancellation of shares' of £13,981 (31/03/15: £12,507).

2. Net capital (losses)/gains

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Non-derivative securities	(41,880)	16,624
Future contracts	(766)	766
Currency gains	7	15
Breach compensation	71	-
Net capital (losses)/gains	<u>(42,568)</u>	<u>17,405</u>

3. Revenue

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
UK dividends	12,216	12,133
Overseas taxable revenue*	(8)	(14)
Overseas non-taxable revenue	1,473	1,187
Property revenue from UK REITs - PID	127	126
Property revenue from UK REITs - Non PID	26	7
Distributions from Regulated Collective Investment Schemes:		
Offshore distribution taxable	20	52
Bank interest	2	6
Overseas scrip dividends	297	263
Stock lending revenue	54	38
UK scrip dividends non-taxable	1,234	1,057
UK PID scrip dividends	27	5
UK Non-PID scrip dividends	-	36
Total revenue	<u>15,468</u>	<u>14,896</u>

*Overseas taxable revenue includes currency gains or losses arising from the repatriation of foreign dividends therefore may be negative.

4. Expenses

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	<u>1,339</u>	<u>1,428</u>

Expenses include irrecoverable VAT where applicable.

During the year, the ACD has borne all the fees charged by the depositary, auditors, FCA and the registrar.

Notes to the Financial Statements

(continued)

as at 31 March 2016

5. Taxation

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	92	87
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	14,129	13,468
Corporation tax of 20% (2015: 20%)	2,826	2,694
Effects of:		
UK dividends*	(2,439)	(2,427)
Non-taxable scrip dividends	(306)	(271)
Overseas non-taxable revenue	(299)	(238)
Movement in excess management expenses	223	243
Irrecoverable overseas tax	92	87
Property revenue from UK REITs - Non PID*	(5)	(1)
Total tax charge for year (note 5a)	92	87

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

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

(c) **Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) **Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,145,044 (31/03/15: £3,921,571) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

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

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Interim	7,571	7,086
Final	6,287	6,156
	13,858	13,242
Add: Revenue deducted on cancellation of shares	286	239
Deduct: Revenue received on creation of shares	(107)	(106)
Net distributions for the year	14,037	13,375

Details of the distribution per share is set out in the Distribution Tables on pages 202 to 203.

7. Movement between net revenue and net distributions

	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Net revenue after taxation	14,037	13,381
Movement in net income as a result of conversions	-	(6)
Net distributions for the year	14,037	13,375

as at 31 March 2016

8. Debtors

	31/03/16	31/03/15
	£000	£000
Sales awaiting settlement	224	497
Amounts receivable for issue of shares	95	35
Accrued revenue	2,388	2,550
Overseas tax recoverable	63	42
Total debtors	<u>2,770</u>	<u>3,124</u>

9. Cash and bank balances

	31/03/16	31/03/15
	£000	£000
Cash and bank balances	1,172	891
Amounts held at futures clearing houses and brokers	191	331
Total cash and bank balances	<u>1,363</u>	<u>1,222</u>

10. Other creditors

	31/03/16	31/03/15
	£000	£000
Amounts payable for cancellation of shares	733	583
Accrued expenses	109	124
Total other creditors	<u>842</u>	<u>707</u>

11. Related party transactions

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £108,603 (31/03/15: £124,143) due at the year end.

The Fund has a related party holding of 14,723,593 shares (31/03/15: 12,920,593 shares) and value of £9,981 (31/03/15: £10,256) due at the year end within the Lloyds Banking Group.

Shares held by associates of the ACD

On 31 March 2016, shares held as a percentage of the Fund's value were:

	31/03/16	31/03/15
	%	%
ACD and associates of the ACD	48.01	49.07

as at 31 March 2016

12. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows (2015: same):

	%
Share Class A - Accumulation:	1.00
Share Class A - Income:	1.00
Share Class B - Accumulation:	0.50
Share Class B - Income:	0.50
Share Class G - Accumulation:	1.00
Share Class G - Income :	1.00
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 185 to 191.

The distributions per share class are given in the Distribution Tables on pages 202 to 203.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/04/15			31/03/16	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	24,738,005	409,300	(1,998,000)	-	23,149,305
Share Class A - Income	2,984,497	202,000	(193,500)	-	2,992,997
Share Class B - Accumulation	6,344,317	718,000	(441,500)	-	6,620,817
Share Class B - Income	72,058,006	2,606,000	(4,817,000)	-	69,847,006
Share Class G - Accumulation	778,800	626,400	(107,500)	-	1,297,700
Share Class G - Income	147,700	50,200	(9,500)	-	188,400
Share Class X - Accumulation	67,051,396	1,836,000	(7,527,500)	-	61,359,896
Total	<u>174,102,721</u>	<u>6,447,900</u>	<u>(15,094,500)</u>	-	<u>165,456,121</u>

13. Capital commitments and contingent liabilities

On 31 March 2016, the Fund had no capital commitments (31/03/15: £nil) and no contingent liabilities (31/03/15: £nil).

14. Securities on loan

The aggregate value of securities on loan at 31 March 2016 is £16,832,958 (31/03/2015: £11,888,850). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 March 2016 is £17,886,630 (31/03/2015: £12,525,762). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £71,724 (31/03/15: £50,894) and £17,943 (31/03/15: £12,735).

	31/03/16	31/03/15
Counterparties	£000	£000
Abbey National Treasury Services	603	8,700
ABN AMRO Bank	9,546	-
Deutsche Bank	185	239
Goldman Sachs International	3,674	1,267
HSBC Bank	193	-
ING Bank	587	-
JP Morgan Securities	322	692
Merrill Lynch	277	-
Morgan Stanley International	1,446	268
Societe Generale	-	169
UBS	-	554
Total securities on loan	<u>16,833</u>	<u>11,889</u>

as at 31 March 2016

	31/03/16	31/03/15
Collateral held	£000	£000
Bonds	3,807	1,576
Equities	1,913	10,055
Cash	12,167	895
Total collateral held	<u>17,887</u>	<u>12,526</u>

15. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 178. The risks inherent in the Fund's investment portfolio are as follows:

(a) Currency risk

A small portion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

As at 31 March 2016, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the as at 31 March 2016 would have been an increase or decrease of approximately £7,516 (31/03/15: £10,003).

As at 31 March the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/03/16	Currency exposure 31/03/15
Currency	£000	£000
Euro	85	76
US dollar	667	925
Total	<u>752</u>	<u>1,001</u>

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

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

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

The Fund's net cash holding of £1,171,913 (31/03/15: holding £891,159) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

The Fund holds net cash at futures brokers of £191,355 (31/03/15: cash £330,838), whose rates are based on LIBOR or its international equivalent.

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

The Fund did not have any long term financial liabilities.

(c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. Such exposure to the various markets is balanced through tactical allocation of futures contracts. These contracts were traded on an eligible derivatives exchange.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the year end, as the sensitivity analysis or value at risk are not significant, no additional disclosure has been shown.

as at 31 March 2016

Financial derivative instruments exposure – fair value	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	32,296	103,750
Total Financial derivative instrument exposure	32,296	103,750

Financial derivative instruments exposure – notional	Value (£)	Value (£)
	31/03/16	31/03/15
Exchange traded derivatives	3,181,360	8,140,790
Total Financial derivative instrument exposure	3,181,360	8,140,790

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

Efficient portfolio management techniques	Value (£)	Value (£)
	31/03/16	31/03/15
Gross revenues arising from efficient portfolio management techniques	71,724	50,894
Direct operational costs and fees incurred	(14,354)	(10,188)
Indirect operational costs and fees incurred	(3,589)	(2,547)
Net revenue generated for Fund during the annual accounting period	53,781	38,159

Underlying exposure obtained through EPM techniques	3,181,360	8,140,790
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Counterparties to financial derivative instruments and efficient portfolio management technique	Value (£)	Value (£)
	31/03/16	31/03/15
Merrill Lynch - Futures	32,296	103,750
Total uncollateralised counterparty exposure	32,296	103,750

The counterparty exposure represents the amount that the Fund could lose if the counterparty defaulted. This is calculated as the unrealised profit on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	Value (£)	Value (£)
	31/03/16	31/03/15
The type and amount of collateral received to reduce counterparty exposure:		
GBP Cash - Merrill Lynch	191,355	330,838

(d) Liquidity risk

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

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

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

as at 31 March 2016

(e) Market price risk and fair value of financial assets and liabilities

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules limiting the size of investment in any particular holding.

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

As at 31 March 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £3,682,739 (31/03/15: £4,234,465).

(f) Credit risk

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

16. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000	01/04/15 to 31/03/16 £000	01/04/14 to 31/03/15 £000
Collective Investment Schemes	21,260	2,890	25,774	11,990
Equities	19,134	14,278	24,530	8,201
Futures	58,234	75,508	62,429	86,146
Trades in the year before transaction costs	98,628	92,676	112,733	106,337
Commissions				
Equities	-	1	(2)	(1)
Futures	1	2	(1)	(2)
Total commissions	1	3	(3)	(3)
Taxes				
Equities	97	56	-	-
Total costs	98	59	(3)	(3)
Total net trades in the year after transaction costs	98,726	92,735	112,730	106,334

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %	01/04/15 to 31/03/16 %	01/04/14 to 31/03/15 %
Commissions				
Equities	-	0.01	0.01	0.01
Futures	0.00	0.00	0.00	0.00
Taxes				
Equities	0.51	0.39	-	-

as at 31 March 2016

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

	01/04/15 to 31/03/16	01/04/14 to 31/03/15
	%	%
Commissions (%) - Purchases	0.00	0.00
Taxes (%) - Purchases	0.03	0.01
Commissions (%) - Sales	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equity securities and futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet was 0.04% (31/03/2015: 0.04%).

17. Fair value

Valuation technique	31/03/16		31/03/15	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	368,274	-	423,446	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>368,274</u>	<u>-</u>	<u>423,446</u>	<u>-</u>

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

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

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

The Fund has made an early adoption of the FRS102 update made in March 2016.

UK Tracker Fund

Distribution Tables

for the year ended 31 March 2016

Distribution in pence per share

- Group 1 Interim Shares purchased prior to 1 April 2015
 Final Shares purchased prior to 1 October 2015
- Group 2 Interim Shares purchased on or between 1 April 2015 and 30 September 2015
 Final Shares purchased on or between 1 October 2015 and 31 March 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	4.1393	-	4.1393	3.5789
Final	3.5005	-	3.5005	3.1046
Group 2	(p)	(p)	(p)	(p)
Interim	2.1006	2.0387	4.1393	3.5789
Final	1.9742	1.5263	3.5005	3.1046

Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	2.6373	-	2.6373	2.3392
Final	2.1924	-	2.1924	2.0031
Group 2	(p)	(p)	(p)	(p)
Interim	1.6176	1.0197	2.6373	2.3392
Final	1.3819	0.8105	2.1924	2.0031

Share Class B - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	5.1588	-	5.1588	4.5400
Final	4.4372	-	4.4372	4.0311
Group 2	(p)	(p)	(p)	(p)
Interim	2.9424	2.2164	5.1588	4.5400
Final	2.7065	1.7307	4.4372	4.0311

Share Class B - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	3.0378	-	3.0378	2.7477
Final	2.5578	-	2.5578	2.4014
Group 2	(p)	(p)	(p)	(p)
Interim	1.7753	1.2625	3.0378	2.7477
Final	1.6615	0.8963	2.5578	2.4014

Distribution Tables

(continued)

for the year ended 31 March 2016

Share Class G - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	1.9184	-	1.9184	1.6622
Final	1.6215	-	1.6215	1.4382
Group 2	(p)	(p)	(p)	(p)
Interim	1.0751	0.8433	1.9184	1.6622
Final	1.0714	0.5501	1.6215	1.4382

Share Class G - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	1.8053	-	1.8053	1.6002
Final	1.4978	-	1.4978	1.3670
Group 2	(p)	(p)	(p)	(p)
Interim	1.3387	0.4666	1.8053	1.6002
Final	0.9138	0.5840	1.4978	1.3670

Share Class X - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/05/2016	Distributions paid to 31/05/2015
Group 1	(p)	(p)	(p)	(p)
Interim	6.2003	-	6.2003	5.4969
Final	5.3893	-	5.3893	4.9648
Group 2	(p)	(p)	(p)	(p)
Interim	2.1647	4.0356	6.2003	5.4969
Final	3.8323	1.5570	5.3893	4.9648

Corporate shareholder information (unaudited) for all share classes

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

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

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

General Information

About OEICs

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

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

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

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

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

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

Shares

The Company currently offers seven share classes; Class A, Class B, Class C, Class G, Class I, Class W and Class X. Each share class has a different ACD fee.

Prices and Dealing Times

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

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

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

Liability

Shareholders are not liable for the debts of the Company.

Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the Company is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the year to 31 March 2016 (as noted on pages 2 and 3). Full terms and conditions are available from the ACD.

Personal Taxation

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

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

Queries

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

FTSE

None of the sub-funds of the Company are in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Plc (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of any FTSE Index ("the Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor the Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein.

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