INCOME AND GROWTH FUNDS ICVC

ANNUAL SHORT REPORT FOR THE
YEAR ENDED 31 AUGUST 2016

SCOTTISH WIDOWS

SCOTTISH WIDOWS INCOME AND GROWTH FUNDS ICVC

The Company and Head Office

Scottish Widows Income and Growth Funds ICVC
15 Dalkeith Road
Edinburgh EH16 5WL

Incorporated in Scotland under registered number IC000806. Authorised and regulated by the Financial Conduct Authority.

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

Scottish Widows Unit Trust Managers Limited

Registered Office:

Charlton Place
Andover SP10 1RE

Head Office:

15 Dalkeith Road
Edinburgh EH16 5WL

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

Investment Adviser

Aberdeen Asset Investments Limited

Registered Office:

Bow Bells House
1 Bread Street
London EC4M 9HH

Correspondence Address:

40 Princes Street
Edinburgh EH2 2BY

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

Depositary

State Street Trustees Limited

Registered Office:

20 Churchill Place
Canary Wharf
London E14 5HJ

Correspondence Address:

525 Ferry Road
Edinburgh EH5 2AW

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

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

SCOTTISH WIDOWS INCOME AND GROWTH FUNDS ICVC

INTRODUCTION

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

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Long reports are available on request. If you would like a copy, please telephone Client Services on 0345 300 2244 or download the Financial Statements from the website www.scottishwidows.co.uk which is a website maintained by Scottish Widows plc on behalf of Scottish Widows Unit Trust Managers Limited.

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

PROSPECTUS CHANGES

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

- 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.
- With effect from 30 October 2015, the Tax section of the Prospectus of the Company was updated to include certain regulatory changes and amendments to tax rules.
- With effect from 30 October 2015, the Company's Prospectus was updated to include revised maximum leverage figures for the Corporate Bond 1 Fund with the maximum expected level of leverage in accordance with the gross method increasing from 200% to 500% and for the commitment method increasing from 150% to 300%.
- We have recently revised the investment policy of each of the Capital Protected Funds 18-21 (each a CP Fund). Each CP Fund is due to close after the Protection Date. In order to allow us to close these CP Funds more efficiently we have altered the investment policy. The alteration means that after the Protection Date the CP Fund will be invested in cash-type assets (which may include one or more collective investment schemes) for a period of 8 weeks (the Redemption Period), following which any remaining shares in issue will be redeemed (the End Date) and the CP Fund will terminate. The change to the investment policy is intended to give investors more time to transfer or cash in their investment after the Protection Date. Please note that there will be no protection once the Protection Date has passed. The change to the investment policy of each CP Fund was implemented with effect from 25 July 2016.
- With effect from 3 May 2016, Global Tactical Asset Allocation 2 Fund commenced the process of being terminated and was therefore no longer available for further investment.
- With effect from 3 May 2016, the Depositary section of the Prospectus of the Company was updated to include certain regulatory changes and amendments required under the FCA's Collective Investment Schemes Sourcebook. 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; and
  - any conflict of interest that may exist;
- With effect from 15 July 2016, UK Mid & Small Cap Tracker Fund commenced the process of being terminated and was therefore no longer available for further investment.

A copy of the Prospectus is available on request.

ADVENTUROUS GROWTH FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

This Fund aims to provide long-term capital growth mainly through investment in collective investment schemes.

The Fund aims to provide exposure primarily to equities (which may include UK, overseas and emerging markets). The Fund may also provide exposure to bonds (this may include UK Government bonds, index-linked securities, other UK fixed interest securities, overseas bonds and high yield bonds), property (which can be both in the UK and overseas) commodities and other alternative assets such as derivatives. This Fund invests principally in a range of funds managed by, or operated within, the Lloyds Banking Group.

High yield bonds are also known as Non-investment grade bonds. Non-investment grade bonds have not been awarded the minimum rating required to meet the investment grade rating. Therefore they are considered higher risk than bonds with a higher credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

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

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

The Fund invests mainly in equities across a variety of UK, global, small-cap and emerging markets. Over the last twelve months the value of the Fund rose by 15.77%.

Approximately half of the Fund's equity exposure is towards the UK stock market which performed well over the year, producing a return of around 12%. During the first months of the review period, UK share prices were held back by concerns about the Chinese economy and a fall in the oil price.

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

The market's gains were also a consequence of the fall in the value of the pound which declined by around 30% against the US dollar. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post Brexit collapse in the pound increases the value of these profits in sterling terms.

Looking overseas, US markets also rose. Strong corporate earnings and improving economic data provided investors with encouragement. However, there have been intermittent concerns about the timing of interest rate rises.

By contrast, European stock markets have struggled as the Eurozone economy lost momentum, expanding by just 0.3% during the second quarter of 2016.

Japan was the worst performer among major stock markets. Despite the Bank of Japan's efforts to stimulate the economy, growth is proving elusive and prices continue to decline.

In terms of positioning, exposure to the Japanese stock market had a negative effect on performance as Japan was one of the worst performing markets. On the upside the relatively large holding in emerging markets equities proved positive. Sentiment towards emerging markets has improved considerably in recent months as investors increasingly appreciate the growth many of these economies have to offer.

In terms of stock selection, the holdings in emerging markets equities performed relatively well, thereby further enhancing returns to investors. The holdings in UK smaller companies underperformed however.

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

Aberdeen Asset Investments Limited
September 2016

for the year ended 31 August 2016

Distribution

XD date	Payment date
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
D Accumulation	1.77	1.74
E Accumulation	1.52	1.50
F Accumulation	1.27	1.25
X Accumulation	0.17	0.15

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Financials	99.50	102.56
Derivatives	(0.06)	0.07
Net other assets/(liabilities)	0.56	(2.63)
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
D Accumulation	162.98	141.37	15.29
E Accumulation	165.47	143.17	15.58
F Accumulation	168.46	145.39	15.87
X Accumulation	180.30	153.89	17.16

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	01/09/11 to 31/08/12 %
Adventurous Growth Fund D Accumulation	15.77	(2.70)	8.15	17.99	9.25

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

Distribution

	Final 31/08/16 (p)
D Accumulation	1.3920
E Accumulation	1.8123
F Accumulation	2.2087
X Accumulation	4.1095

Major holdings

	31/08/16 %		31/08/15 %
1. HBOS UK Growth Fund I Inc	18.79	HBOS UK Growth Fund I Inc	18.26
2. Scottish Widows UK All Share Tracker Fund X Acc	16.31	Scottish Widows UK All Share Tracker Fund X Acc	15.97
3. Scottish Widows Emerging Markets Fund X Acc	8.22	Scottish Widows UK Smaller Companies Fund X Acc	14.95
4. Scottish Widows UK Smaller Companies Fund X Acc	7.94	Scottish Widows Emerging Markets Fund X Acc	7.99
5. HBOS European Fund I Inc	6.66	HBOS North American Fund I Inc	5.57
6. Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acc	6.26	Scottish Widows US Equity Tracker Fund X Acc	5.43
7. Scottish Widows European Equity Tracker Fund X Acc	5.00		
Number of holdings: 34		Number of holdings: 30	

Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.

Please note: negative figures are shown in brackets.

BALANCED GROWTH FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

This Fund aims to provide long-term capital growth mainly through investment in collective investment schemes.

The Fund aims to provide exposure to a combination of equities (which may include UK, overseas and emerging markets), bonds (this may include UK Government bonds, index-linked securities, other UK fixed interest securities, overseas bonds and high yield bonds) and property (which can be both in the UK and overseas).

The Fund may also provide exposure to commodities and other alternative assets such as derivatives. This Fund invests principally in a range of funds managed by, or operated within, the Lloyds Banking Group.

High yield bonds are also known as Non-investment grade bonds. Non-investment grade bonds have not been awarded the minimum rating required to meet the investment grade rating. Therefore they are considered higher risk than bonds with a higher credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

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

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

The Fund invests in a range of assets including UK and global equities, corporate bonds, commercial property and absolute return funds. Over the last twelve months the Fund rose in value by 9.27%.

The UK equity market performed well over the year, producing a return of around 12%. During the first months of the review period UK share prices were held back by concerns about the Chinese economy and a precipitous fall in the oil price.

However, despite an intense bout of volatility following the vote to leave the European Union in June, the market has rebounded strongly. In part this was a result of the Bank of England's economic stimulus measures. The gains were also a consequence of the fall in the value of the pound. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post Brexit collapse in the pound increases the value of these profits in sterling terms.

Looking overseas, US markets also rose. Strong corporate earnings and improving economic data provided investors with encouragement. However, there have been intermittent concerns about the timing of interest rate rises. By contrast, European stock markets have struggled as the Eurozone economy lost momentum, expanding by just 0.3% during the second quarter of 2016. Japan was the worst performer among major stock markets. Despite the Bank of Japan's efforts, economic growth is proving elusive and prices continue to decline.

Corporate bonds produced strong returns over the twelve months, most of which came towards the end of the review period. Concerns over China and the impact of its slowing economic growth on the global economy, alongside the prospect of rising US interest rates had made investors wary. There was a rising incidence of negative company specific news flow involving companies such as Glencore and Volkswagen.

However, bond markets were boosted by the uncertainty in the run-up to the EU referendum. Bonds, especially those issued by governments are often investors' asset class of choice during turbulent periods due to their perceived safety. This is because governments are seen as very reliable borrowers and relatively unlikely to miss payments to investors (or to "default").

Bonds received further support from the economic stimulus package announced by the Bank of England in August which was intended to instil confidence following the 'Brexit' vote. As well as a cut in interest rates, the measures included a new £70 billion bond buying programme and an undertaking to buy up to £10 billion of corporate bonds over 18 months.

During the first half of the review period the Fund benefited from its position in commercial property. However, property has become one of the assets most affected by the Brexit vote. Valuations have been falling since the result of the referendum

INVESTMENT ADVISER'S REVIEW (CONTINUED)

became known. Property had been a significant long-term position within the Fund but we reduced the amount invested in the asset class given the uncertainty the market now faces.

We also became slightly more pessimistic about the prospects for global stock markets. This is mainly due to growing risks that the global economic recovery could be thrown off course and amid the uncertainty as the UK negotiates its departure from the European Union.

Overall, the portfolio now has a neutral position in all of the main asset classes. The Fund remains well diversified which should ensure it is positioned to minimise risks during times of market turbulence, while participating to some extent in any stock market gains.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD date	Payment date
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
D Accumulation	1.75	1.79
E Accumulation	1.50	1.54
F Accumulation	1.25	1.29
X Accumulation	0.15	0.20

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Financials	97.44	97.63
Sterling Denominated Bonds	0.00	0.00
Derivatives	1.83	(0.73)
Net other assets	0.73	3.10
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
D Accumulation	146.18	134.65	8.56
E Accumulation	148.01	136.05	8.79
F Accumulation	149.92	137.52	9.02
X Accumulation	158.17	143.81	9.99

Distribution

	Final 31/08/16 (p)
D Accumulation	1.9236
E Accumulation	2.2271
F Accumulation	2.5385
X Accumulation	3.9674

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	01/09/11 to 31/08/12 %
Balanced Growth Fund D Accumulation	9.27	0.38	9.26	9.03	6.98

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

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

Major holdings

	31/08/16	%	31/08/15	%
1.	HBOS UK Property Fund I Inc	16.12	HBOS UK Property Fund I Inc	20.32
2.	Scottish Widows Corporate Bond Fund W Gross Acc	11.82	HBOS UK FTSE All-Share Index Tracking Fund I Inc	13.94
3.	HBOS UK FTSE All-Share Index Tracking Fund I Inc	11.78	Scottish Widows Corporate Bond Fund W Gross Acc	11.03
4.	Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	9.72	Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	9.87
5.	Aberdeen Global High Yield Bond Fund Z Acc	7.04	Scottish Widows UK All Share Tracker Fund X Acc	7.34
6.	Scottish Widows UK All Share Tracker Fund X Acc	6.24	Aberdeen Global High Yield Bond Fund Z Acc	6.82
	Number of holdings: 34		Number of holdings: 31	

Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.

Please note: negative figures are shown in brackets.

CAUTIOUS GROWTH FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

This Fund aims to provide long-term capital growth mainly through investment in collective investment schemes.

The Fund aims to provide exposure primarily to bonds (this may include UK Government bonds, index-linked securities, other UK fixed interest securities, overseas bonds and high yield bonds) and property (which can be both in the UK and overseas).

The Fund may also provide exposure to equities (which may include UK, overseas and emerging markets), commodities and other alternative assets such as derivatives. This Fund invests principally in a range of funds managed by, or operated within, the Lloyds Banking Group.

High yield bonds are also known as Non-investment grade bonds. Non-investment grade bonds have not been awarded the minimum rating required to meet the investment grade rating. Therefore they are considered higher risk than bonds with a higher credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

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

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

The nature of the Fund means it mainly invests in assets that are viewed as safer and are traditionally less volatile. As a result, the portfolio is mainly made up of investment grade corporate bonds as well as bonds issued by the UK government. To aid diversification the Fund also invests in commercial property, global and UK equities.

Corporate bonds produced strong returns over the twelve months, most of which came towards the end of the review period. Concerns over China and the impact of its slowing economic growth on the global economy, alongside the prospect of rising US interest rates had made investors wary. There was a rising incidence of negative company specific news flow involving companies such as Glencore and Volkswagen.

However, bond markets were boosted by the uncertainty in the run-up to the EU referendum. Bonds, especially those issued by governments are often investors' asset class of choice during turbulent periods due to their perceived safety. This is because governments are seen as very reliable borrowers and relatively unlikely to miss payments to investors (or to "default").

Bonds received further support from the economic stimulus package announced by the Bank of England in August which was intended to instil confidence following the 'Brexit' vote. As well as a cut in interest rates, the measures included a new £70 billion bond buying programme and an undertaking to buy up to £10 billion of corporate bonds over 18 months.

The Fund's equity holdings are skewed towards the UK market which rose in value by more than 12%. During the first months of the review period, UK share prices were held back by concerns about the Chinese economy and a precipitous fall in the oil price.

However, despite an intense bout of volatility following the vote to leave the European Union, the market has rebounded strongly. In part this was a result of the Bank of England's economic stimulus measures. The gains were also a consequence of the fall in the value of the pound. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post-Brexit collapse in the pound increases the value of these profits in sterling terms.

During the first half of the review period, the Fund benefited from its position in commercial property. However, property has become one of the assets most affected by the Brexit vote. Valuations have been falling since the result of the referendum became known. Property had been a significant long-term position within the Fund but we reduced the amount invested in the asset class given the uncertainty the market now faces.

INVESTMENT ADVISER'S REVIEW (CONTINUED)

We also become more pessimistic about the prospects for global stock markets. This is mainly due to growing risks that the global economic recovery could be thrown off course and amid the uncertainty as the UK negotiates its departure from the European Union.

Overall, the portfolio now has a neutral position in all of the main asset classes. Given the uncertainties facing the UK economy and the strong gains produced by both equity and bond markets recently, it makes sense not to expose the portfolio to too much risk. In this environment we have maintained the well diversified nature of the portfolio which should ensure it is positioned to minimise risks during times of market turbulence while still participating to some extent in any stock market gains.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD date	Payment date
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
D Accumulation	1.75	1.79
E Accumulation	1.50	1.54
F Accumulation	1.25	1.29
X Accumulation	0.13	0.18

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Financials	98.71	97.41
Sterling Denominated Bonds	0.00	0.00
Derivatives	1.40	(0.83)
Net other (liabilities)/assets	(0.11)	3.42
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
D Accumulation	135.86	126.60	7.31
E Accumulation	137.56	127.92	7.54
F Accumulation	139.23	129.22	7.75
X Accumulation	147.13	135.33	8.72

Distribution

	Final 31/08/16 (p)
D Accumulation	1.7547
E Accumulation	2.0346
F Accumulation	2.3204
X Accumulation	3.6577

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	01/09/11 to 31/08/12 %
Cautious Growth Fund D Accumulation	7.77	0.80	7.94	3.57	7.80

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

Major holdings

		31/08/16 %		31/08/15 %
1.	Scottish Widows Corporate Bond Fund W Gross Acc	34.38	Scottish Widows Corporate Bond Fund W Gross Acc	33.52
2.	Aberdeen Global High Yield Bond Fund Z Acc	12.53	HBOS UK Property Fund I Inc	14.82
3.	HBOS UK Property Fund I Inc	11.65	Aberdeen Global High Yield Bond Fund Z Acc	12.55
4.	Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	9.74	Aberdeen Sterling Investment Cash Fund X Gross Acc†	10.78
5.	Aberdeen Liquidity Fund (Lux) - Ultra Short Duration Sterling Fund	6.64	Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	10.02
	Number of holdings: 27		Number of holdings: 26	

†With effect from 18 July 2016 holding moved from Aberdeen Sterling Investment Cash Fund X Gross Acc to Aberdeen Liquidity Fund (LUX) – Ultra Short Duration Sterling Fund.

Please note: negative figures are shown in brackets.

CORPORATE BOND 1 FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

To provide long term capital growth.

The Fund will invest predominantly in a diversified portfolio of investment grade securities comprised of corporate issues from any one or more of North America, Europe, UK and Japan.

The Fund may also invest in investment grade corporate securities from other regions as well as in other transferable securities, money market instruments, deposits, cash, near cash, other collective investment schemes and warrants.

Derivatives may be used for investment purposes, but it is not intended that doing so will change the Fund's risk profile.

Use may also be made of stock lending and hedging. It is the ACD's intention that non-sterling investments will be hedged back to sterling.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM), in addition to their use for investment purposes:

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 3* because, based on simulated data, it would have experienced low to medium levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

It has been a volatile year for corporate bond markets, with valuations affected by a myriad of factors. A constant theme has been concerns over slowing Chinese economic growth and its impact on global growth and commodity prices. Uncertainty over the timing and magnitude of rising US interest rates also kept market participants wary.

During 2016, the European Central Bank's (ECB) announcement of further monetary easing and a corporate sector purchase programme (CSPP) gave credit markets a boost. In the run-up to June's historic referendum on the UK's continued membership of the European Union, bond markets performed well. A shift in momentum towards the 'Leave' campaign in the opinion polls fuelled demand for government bonds. However, while corporate bonds were strong overall between April and June, nervousness ahead of the June referendum led to credit underperformance in May and June, with subordinated bonds from UK banks and insurers bearing the brunt.

Towards the end of June, corporate bonds recovered their poise from the UK's vote to leave the EU, perhaps looking forward to further economic stimulation measures from global central banks. Market movements in July suggested a reassessment of the policy response to a likely sharp slowdown in the UK economy and the knock-on effects to developed markets' confidence around the world. This manifested itself in a strong rally from both government bond yields and credit spreads. August, too, was strong for corporate bonds, supported mostly by the Bank of England's stimulus package. Its new £70 billion bond buying-programme included an undertaking to buy up to £10 billion of corporate bonds over 18 months.

The Corporate Bond 1 Fund delivered a return of 7.91% in the 12 months to 31 August 2016.

A rally in corporate bond spreads in the final months of 2015 helped generate positive returns during this period. A limited exposure to the weakest areas affected by the commodity price decline was the main driver. Exposure to subordinated financial issuance was helpful, with overweight positions in Royal Bank of Scotland and Lloyds Banking Group as two of the most significant.

Moving into 2016, the Fund underperformed in January and February. Higher risk positions in particular impaired performance. Banks and other financial bonds which had performed relatively well during 2015 sold off aggressively, largely driven by negative news flow. Banks, especially in the UK and insurers where we prefer global players, remain high conviction sector overweights. Basic materials and energy suffered in January as commodities slipped but stabilised as commodities staged a recovery in February. Conversely in March, higher risk positions were particularly beneficial, notably holdings in sub-investment grade assets which were helped by improvements in commodity prices.

As concern built over the outcome of the EU referendum, we anticipated additional volatility within credit markets and trimmed our UK bank exposure. Nevertheless, the Fund remained modestly long risk going into June's referendum, reflecting the view that there would be a Remain vote. The market, having rallied into the vote, was poorly positioned for the outcome. We had considered that the market was failing to appreciate the finely balanced nature of the referendum and accordingly had bought protection in the derivatives market. Heading into the referendum, we had the lowest active levels of risk this year. So while "Brexit" resulted in modest outperformance, this and an opportunistically held higher-than-average cash position helped offset some of the credit market's underperformance.

By and large, the Fund's financial (banking and insurers) holdings performed well. In addition, most of the Fund's industrial and utilities exposure made positive contributions, primarily due to the ECB's CSPP and the rebound in commodities prices.

In July and August the Fund performed well. This was mainly driven by an outperformance in our higher risk holdings as markets shrugged off the referendum result. Subordinated financials performed especially well, with UK insurance and banking leading the way. Towards the end of the reporting period we reduced our overall risk positioning mainly by reducing our exposure to financials. This came on the back of a strong July rally as we saw an opportunity to take profits.

In the aftermath of the EU referendum vote, the BoE's stimulus package provided a boost for the corporate bond market. While credit spreads have tightened significantly in the aftermath, we believe value remains in the sector and investors remain well compensated for the risk of default. The support of central banks and the ongoing hunt for yield is likely to remain supportive but political risks such as the US elections and the Italian referendum in October do provide some scope for volatility. The tightening of monetary policy in the US may also increase uncertainty in the near term.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD dates	Payment dates
30/11/15	31/01/16
29/02/16	30/04/16
31/05/16	31/07/16
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
W Gross Accumulation	0.02	0.02

Share class W Gross Accumulation was launched on 25 September 2014.

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

Details of investments

Investments	31/08/16 %	31/08/15 %
US Dollar Denominated Bonds	58.52	57.52
Euro Denominated Bonds	23.50	28.72
Sterling Denominated Bonds	10.23	9.01
Canadian Dollar Denominated Bonds	2.14	2.25
Australian Dollar Denominated Bonds	2.07	1.53
Swiss Denominated Bonds	-	0.22
Derivatives	(0.58)	(1.91)
Net other assets	4.12	2.66
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
W Gross Accumulation	109.22	101.14	7.99

Performance record

	01/09/15 to 31/08/16 %
Corporate Bond 1 Fund W Gross Accumulation	7.91

Source: Scottish Widows Unit Trust Managers Limited. Basis: Gross revenue reinvested and net of expenses.

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

Distribution

	First interim 30/11/15 (p)	Second interim 29/02/16 (p)	Third interim 31/05/16 (p)	Final 31/08/16 (p)
W Gross Accumulation	0.9780	1.0437	0.8574	0.9795

Major holdings

	31/08/16 %		31/08/15 %
1. iTraxx Credit Default Swap Rec 1% 20/06/2021	1.71	Williams Partners 3.6% 15/03/2022	1.07
2. Wells Fargo 3% 19/02/2025	1.38	Ford Motor Credit 5.75% 01/02/2021	1.04
3. Comcast 7.05% 15/03/2033	1.01	Wells Fargo 3% 19/02/2025	1.02
4. Perrigo Finance 3.5% 15/12/2021	1.00	Eutelsat 2.625% 13/01/2020	0.95
5. Intesa Sanpaolo 6.5% 24/02/2021	1.00	General Electric Capital 6.5% 15/09/2067	0.94
Number of holdings: 261		Number of holdings: 283	

Summary of portfolio by credit ratings

Rating block	31/08/16 %	31/08/15 %
Investment grade (AAA to BBB-)	90.46	88.41
Non-Investment grade (BB+ to C)	5.33	9.73
Unrated	0.67	1.11
Total bonds	96.46	99.25
Other	3.54	0.75
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Please note: negative figures are shown in brackets.

CORPORATE BOND PPF FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

The Fund aims to provide a return consistent with the variations in market annuity rates with the aim of reducing annuity conversion risk.

The Fund will invest predominantly in long dated UK corporate fixed interest securities.

In aiming to reduce the risk of annuity conversions, the fund manager will refer to target duration and credit ratings as part of the fund management strategy. The targets will be identified at the fund manager's discretion and may change in line with market annuity rates and fixed interest yields.

The Fund may also invest in government index linked securities as well as in other transferable securities, cash or near cash instruments, deposits, money market instruments, other collective investment schemes and warrants.

The Fund does not provide any guarantee of the level of pension in retirement or the cost of buying that pension. It may not be effective for those who intend to buy an inflation-linked pension and does not provide protection against changes in the cost of buying a pension that arise from changes in life expectancy.

Use may also be made of stock lending and hedging.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

1	2	3	4	5	6	7

As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

It has been a volatile year for corporate bond markets with valuations affected by a myriad of factors. A constant theme has been concerns over slowing Chinese economic growth and its impact on global growth and commodity prices. Uncertainty over the timing and magnitude of rising US interest rates also kept market participants wary.

During 2016, the European Central Bank's announcement of further monetary easing and a corporate bond buying programme gave credit markets a boost. In the run-up to June's historic referendum on the UK's continued membership of the European Union, bond markets performed well. A shift in momentum towards the 'Leave' campaign in the opinion polls fuelled demand for government bonds. However, while corporate bonds were strong overall between April and June, nervousness ahead of the June referendum led to credit underperformance in May and June, with subordinated bonds from UK banks and insurers bearing the brunt.

Towards the end of June, corporate bonds recovered their poise from the vote to leave the EU, perhaps looking forward to further economic stimulation measures from global central banks. Market movements in July suggested a reassessment of the policy response to a likely sharp slowdown in the UK economy and the knock-on effects to developed markets' confidence around the world. This manifested itself in a strong rally from both government bond yields and credit spreads. August, too, was strong for corporate bonds, supported mostly by the Bank of England's (BoE) stimulus package. Its new £70 billion bond buying programme includes an undertaking to buy up to £10 billion of corporate bonds over 18 months.

We saw a dramatic fall in government bond yields in the second half of the review period, with 30-year Gilt yields falling just over 100 basis points (bps) to 1.27%. There was also a tightening in credit spreads (a move of close to 100bps tighter). In combination this helped the Fund to a very high total return of 30.29%.

Within sector allocations the Fund's overweight position in financials, industrials and utilities helped performance with a broad based rally in credit. Our underweight in housing associations which remain difficult to buy detracted from performance. Additionally, so did our underweight in better quality bonds such as those issued by supranational agencies such as the European Investment Bank. The other major factor affecting performance was the announcement of the bonds to be included in the BoE's Corporate Bond Purchase Scheme.

INVESTMENT ADVISER'S REVIEW

The Fund has an overweight position in some of these bonds and accordingly benefited.

In the aftermath of the EU referendum vote, the BoE's stimulus package provided a boost for the UK corporate bond market. While credit spreads have tightened significantly in the aftermath, we believe value remains in the sector and investors remain well compensated for the risk of default. Spreads could tighten further when the corporate bond buying programme gets under way.

Nevertheless, we are increasingly becoming cautious about the bonds we consider for investment. We will focus on fundamentals while thinking about the world post quantitative easing.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD dates	Payment dates
30/11/15	31/01/16
29/02/16	30/04/16
31/05/16	31/07/16
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
W Gross Accumulation	0.02	0.02

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Sterling Denominated Bonds	98.36	97.91
Derivatives	0.00	-
Net other assets	1.64	2.09
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
W Gross Accumulation	145.83	111.77	30.47

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %
Corporate Bond PPF Fund W Gross Accumulation	30.29	2.38

Source: Scottish Widows Unit Trust Managers Limited. Basis: Gross revenue reinvested and net of expenses.

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

Distribution

	First interim 30/11/15 (p)	Second interim 29/02/16 (p)	Third interim 31/05/16 (p)	Final 31/08/16 (p)
W Gross Accumulation	1.1503	1.1288	1.1439	1.1372

Major holdings

	31/08/16 %		31/08/15 %
1. European Investment Bank 4.625% 12/10/2054	1.91	European Investment Bank 4.5% 07/03/2044	3.37
2. Electricite de France 5.5% 17/10/2041	1.46	European Investment Bank 5% 15/04/2039	2.02
3. Pfizer 6.5% 03/06/2038	1.32	Wal-Mart Stores 5.25% 28/09/2035	1.75
4. AT&T 4.25% 01/06/2043	1.29	GE Capital UK Funding 5.875% 18/01/2033	1.52
5. EUROFIMA 5.5% 07/06/2032	1.28	AT&T 4.25% 01/06/2043	1.47
Number of holdings: 221		Number of holdings: 163	

Summary of portfolio by credit ratings

Rating block	31/08/16 %	31/08/15 %
Investment grade (AAA to BBB-)	98.36	97.91
Total bonds	98.36	97.91
Other	1.64	2.09
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

CORPORATE BOND TRACKER FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

The Fund aims to track the performance of the iBoxx Sterling Non-Gilts Index.

The Fund will invest predominantly in the securities that make up the constituents of the iBoxx Sterling Non-Gilts Index.

The Fund may also invest in other transferable securities, (including asset backed securities such as securitised loans (Sterling)), cash and near cash, deposits, money market instruments, other collective investment schemes and warrants.

Use may also be made of stock lending and hedging.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 3* because, based on simulated data, it would have experienced low to medium levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

It has been a volatile year for corporate bond markets with valuations affected by a myriad of factors. A constant theme has been concerns over slowing Chinese economic growth and its impact on global growth and commodity prices. Uncertainty over the timing and magnitude of rising US interest rates also kept market participants wary.

During 2016, the European Central Bank's announcement of further monetary easing and a corporate bond buying programme gave credit markets a boost. In the run-up to June's historic referendum on the UK's continued membership of the European Union, bond markets performed well. A shift in momentum towards the 'Leave' campaign in the opinion polls fuelled demand for government bonds. However, while corporate bonds were strong overall between April and June, nervousness ahead of the June referendum led to credit underperformance in May and June with subordinated bonds from UK banks and insurers bearing the brunt.

Towards the end of June, corporate bonds recovered their poise from the vote to leave the EU, perhaps looking forward to further economic stimulation measures from global central banks. Market movements in July suggested a reassessment of the policy response to a likely sharp slowdown in the UK economy and the knock-on effects to developed markets' confidence around the world. This manifested itself in a strong rally from both government bond yields and credit spreads. August, too, was strong for corporate bonds, supported mostly by the Bank of England's (BoE) stimulus package. Its new £70 billion bond buying programme includes an undertaking to buy up to £10 billion of corporate bonds over 18 months.

In the aftermath of the EU referendum vote, the BoE's stimulus package provided a boost for the UK corporate bond market. While credit spreads have tightened significantly in the aftermath, we believe value remains in the sector and investors remain well compensated for the risk of default. Spreads could tighten further when the corporate bond-buying programme gets under way.

Nevertheless, we are increasingly becoming cautious about the bonds we consider for investment. We will focus on fundamentals while thinking about the world post quantitative easing.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD dates	Payment dates
30/11/15	31/01/16
29/02/16	30/04/16
31/05/16	31/07/16
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
W Gross Accumulation	0.02	0.02

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Sterling Denominated Bonds	96.97	96.77
Collective Investment Schemes	1.58	1.33
Net other assets	1.45	1.90
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
W Gross Accumulation	125.03	107.75	16.04

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %
Corporate Bond Tracker Fund W Gross Accumulation	16.01	4.32

Source: Scottish Widows Unit Trust Managers Limited. Basis: Gross revenue reinvested and net of expenses.

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

Distribution

	First interim 30/11/15 (p)	Second interim 29/02/16 (p)	Third interim 31/05/16 (p)	Final 31/08/16 (p)
W Gross Accumulation	0.9099	0.9073	0.9031	0.8934

Major holdings

	31/08/16 %		31/08/15 %
1. UK Treasury 1.25% 22/07/2018	2.30	UK Treasury 1% 07/09/2017	3.07
2. UK Treasury 1% 07/09/2017	1.43	iShares Core GBP Corporate Bond UCITS ETF	1.17
3. iShares Core GBP Corporate Bond UCITS ETF	1.01	UK Treasury 2% 22/07/2020	1.14
4. European Investment Bank 1.5% 01/02/2019	0.88	KFW 6% 07/12/2028	0.80
5. UK Treasury 1.5% 22/01/2021	0.84	KFW 3.75% 07/09/2016	0.75
Number of holdings: 780		Number of holdings: 670	

Summary of portfolio by credit ratings

Rating block	31/08/16 %	31/08/15 %
Investment grade (AAA to BBB-)	96.27	96.33
Non-Investment grade (BB+ to C)	0.54	0.44
Unrated	0.16	-
Total bonds	96.97	96.77
Other	3.03	3.23
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

GLOBAL TACTICAL ASSET ALLOCATION 1 FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

The Fund aims to provide a positive return over 3 year rolling periods independent of market conditions. Capital in the Fund is at risk and there is no guarantee that the Fund will deliver a positive return over that specific, or any, time period. The Fund will invest primarily in derivative instruments. These will give exposure to a range of asset classes and markets. The fund manager may use long and synthetic short positions. The fund manager will operate a tactical asset allocation policy, this means exposures to asset classes and markets will vary over time at the fund manager's discretion.

All, or a substantial proportion, of the non-derivative assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments when the active risk exposure is achieved through derivatives.

Exposure to equities and equity-linked securities will be taken at regional levels as well as in specific countries. Bond exposure will be achieved primarily through index-based derivative instruments and government bond future contracts, as well as select direct holdings.

Commodity exposure will be achieved through index-based commodity derivative instruments and exchange-traded funds. Currency exposure will be linked to positions in the underlying markets. Over-the-counter (OTC) instruments such as index-based total return swaps may be used for property and commodities exposures. Credit default swaps may be used to achieve broad credit exposures.

The Fund may also invest in transferable securities, other collective investment schemes, and warrants. Derivatives may also be used for efficient portfolio management purposes.

Short exposure to an asset means the Fund could benefit if that asset falls in value. Long exposure to an asset means the Fund could benefit if that asset rises in value.

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

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

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 3* because, based on simulated data, it would have experienced low to medium levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

The Fund takes exposure to equity and bond markets mainly via futures and derivatives.

Looking first at equities, the UK market performed well over the year, producing a return of around 12%. During the first months of the review period, UK share prices were held back by concerns about the Chinese economy and a precipitous fall in the oil price.

However, despite an intense bout of volatility following the vote to leave the European Union in June, the market has rebounded strongly. In part this was a result of the Bank of England's economic stimulus measures. The gains were also a consequence of the fall in the value of the pound. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post Brexit collapse in the pound increases the value of these profits in sterling terms.

Looking overseas, US markets also rose. Strong corporate earnings and improving economic data provided investors with encouragement. However, there have been sporadic concerns about the timing of interest rate rises. By contrast, European stock markets have struggled as the Eurozone economy lost momentum, expanding by just 0.3% during the second quarter of 2016. Japan was the worst performer among major stock markets. Despite the Bank of Japan's efforts, economic growth is proving elusive and prices continue to decline.

Corporate bonds produced strong returns over the twelve months, most of which came towards the end of the review period. Concerns over China and the impact of its slowing economic growth on the global economy, alongside the prospect of rising US interest rates had made investors wary. There was a rising incidence of negative company specific news flow involving companies such as Glencore and Volkswagen.

However, bond markets were boosted by the uncertainty in the run-up to the EU referendum. Bonds, especially those issued by governments are often investors' asset class of choice

for the year ended 31 August 2016

INVESTMENT ADVISER'S REVIEW (CONTINUED)

during turbulent periods due to their perceived safety. This is because governments are seen as very reliable borrowers and relatively unlikely to miss payments to investors (or to "default").

During the year we became a bit more cautious about the prospects for equity markets, as global economic activity appears to be slowing despite the efforts of central banks around the world. This could have a detrimental effect on corporate profits. Under these circumstances it is possible that government bonds will continue to prove popular and that government bond yields could remain close to their current record lows, at least in the short term.

We have moved towards a neutral position in the main asset classes which remains appropriate for the time being.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD date	Payment date
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
X Accumulation	0.02	0.01

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Short Term Deposits	85.98	84.56
Collective Investment Schemes	11.06	12.00
Derivatives	(0.86)	1.14
Net other assets	3.82	2.30
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
X Accumulation	96.44	102.39	(5.81)

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %
Global Tactical Asset Allocation 1 Fund X Accumulation	(5.72)	4.62

Source: Scottish Widows Unit Trust Managers Limited. Basis: Net revenue reinvested and net of expenses.

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

Distribution

	Final 31/08/16 (p)
X Accumulation	0.4025

Major holdings

	31/08/16 %		31/08/15 %
1. Short Term Deposits	85.98	Short Term Deposits	84.56
2. iShares $ TIPS UCITS ETF	5.59	Aberdeen Global Liquidity Sterling Fund Advisory†	12.00
3. Aberdeen Liquidity Fund (Lux) - Sterling Fund	5.47	MSCI Pacific Index Futures September 2015	1.07
4. HY Series 26 Credit Default Swap Rec 5% 20/06/2021	0.46	iTraxx Credit Default Default Swap Rec 1% 20/06/2020	0.76
5. HY Series 26 Credit Default Swap Rec 5% 20/06/2021	0.30	IG Series 23 Credit Default Swap Rec 5% 20/06/2020	0.12
Number of holdings: 51		Number of holdings: 40	

†With effect from 18 July 2016 holding moved from Aberdeen Global Liquidity Sterling Fund Advisory to Aberdeen Liquidity Fund (LUX) – Sterling Fund.

Please note: negative figures are shown in brackets.

PROGRESSIVE GROWTH FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

This Fund aims to provide long-term capital growth mainly through investment in collective investment schemes.

The Fund aims to provide exposure mainly to equities (which may include UK, overseas and emerging markets). The Fund may also provide exposure to property (which can be both in the UK and overseas) and bonds (this may include UK Government bonds, index-linked securities, other UK fixed interest securities, overseas bonds and high yield bonds). In addition the Fund may also provide exposure to commodities and other alternative assets such as derivatives. This Fund invests principally in a range of funds managed by, or operated within, the Lloyds Banking Group.

High yield bonds are also known as Non-investment grade bonds. Non-investment grade bonds have not been awarded the minimum rating required to meet the investment grade rating. Therefore they are considered higher risk than bonds with a higher credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	4	5	6	7

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

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

The Fund invests in a blend of UK and global equities, high yield corporate bonds and commercial property. Over the last twelve months the Fund rose in value by 12.55%.

The Fund's largest position is in equities, mostly within the UK market. The UK equity market performed well over the year producing a return of around 12%. During the first months of the review period, UK share prices were held back by concerns about the Chinese economy and a fall in the oil price.

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

The market's gains were also a consequence of the fall in the value of the pound which declined by around 30% against the US dollar. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post Brexit collapse in the pound increases the value of these profits in sterling terms.

Looking overseas, US markets also rose. Strong corporate earnings and improving economic data provided investors with encouragement. However, there have been intermittent concerns about the timing of interest rate rises. By contrast, European stock markets have struggled as the Eurozone economy lost momentum, expanding by just 0.3% during the second quarter of 2016. Japan was the worst performer among major stock markets. Despite the Bank of Japan's efforts, economic growth is proving elusive and prices continue to decline.

The other main asset class in which the Fund invests is commercial property. Having continued to produce strong returns in the first half of the review period the market has started to decline in recent months. Valuations of UK property have turned lower since the result of the EU membership referendum became known. The office sector in the City of London in particular is struggling amid the uncertainty about the future of many global financial companies based in the City.

During the first half of the review period the Fund benefited from its position in commercial property. The holding in property had been a significant long-term position within the Fund but we have gradually reduced the amount invested in the asset class in recent months given the uncertainty the market now faces.

We also became slightly more pessimistic about the prospects for global stock markets. This is mainly due to growing risks

INVESTMENT ADVISER'S REVIEW (CONTINUED)

that the global economic recovery could be thrown off course and amid the uncertainty as the UK negotiates its departure from the European Union.

Overall, the portfolio now has a neutral position in all of the main asset classes. The Fund remains well diversified which should ensure it is positioned to reduce risks during times of market turbulence while participating in any market gains.

Aberdeen Asset Investments Limited
September 2016

Distribution

XD date	Payment date
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
D Accumulation	1.72	1.76
E Accumulation	1.47	1.51
F Accumulation	1.22	1.26
X Accumulation	0.12	0.16

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Financials	97.12	96.58
Derivatives	1.60	(0.62)
Sterling Denominated Bonds	0.00	0.00
Net other assets	1.28	4.04
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
D Accumulation	154.23	137.90	11.84
E Accumulation	156.25	139.37	12.11
F Accumulation	158.37	140.92	12.38
X Accumulation	167.59	147.66	13.50

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	01/09/11 to 31/08/12 %
Progressive Growth Fund D Accumulation	12.55	(1.23)	9.73	12.46	7.35

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

Distribution

	Final 31/08/16 (p)
D Accumulation	1.9663
E Accumulation	2.3335
F Accumulation	2.7094
X Accumulation	4.3670

Major holdings

	31/08/16 %		31/08/15 %
1. HBOS UK FTSE All-Share Index Tracking Fund I Inc	16.42	HBOS UK FTSE All-Share Index Tracking Fund I Inc	20.52
2. Scottish Widows UK All Share Tracker Fund X Acc	15.95	HBOS UK Property Fund I Inc	17.76
3. HBOS UK Property Fund I Inc	13.72	Scottish Widows UK All Share Tracker Fund X Acc	16.76
4. Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	9.65	Scottish Widows Global Tactical Asset Allocation 1 Fund X Acc	9.92
5. Scottish Widows European Equity Tracker Fund X Acc	8.69	Scottish Widows European Equity Tracker Fund X Acc	6.61
Number of holdings: 30		Number of holdings: 31	

Please note: negative figures are shown in brackets.

UK INDEX LINKED GILT FUND

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

The Fund aims to maximise returns based on a combination of income and capital.

The Fund will invest predominantly in index-linked interest bearing securities issued by the UK government.

The Fund may also invest in other types of index-linked securities, including those issued by other governments as well as in other transferable securities, money market instruments, deposits, cash, near cash, other collective investment schemes and warrants.

Use may also be made of stock lending and hedging. It is the ACD's intention that non-sterling investments will be hedged back to sterling.

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

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

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM):

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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

Synthetic risk and reward profile

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

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

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

1	2	3	**4**	5	6	7

As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 29 April 2016.

INVESTMENT ADVISER'S REVIEW

UK gilt yields moved lower and prices higher in a turbulent 12 months for government bond markets. The yield on the benchmark 10-year Gilt moved from 1.95% to 0.64%. From the start of July to the end of September, gilts benefited from accommodative monetary policy and an atmosphere of geopolitical uncertainty, in particular by anxiety over slowing Chinese economic growth and its implications for commodity prices. The falling oil price caused the Bank of England (BoE) to lower its 2016 inflation forecasts in its quarterly inflation report and this was taken as a dovish signal by the market.

As 2016 began commodity prices continued to slide. This, combined with fears of Chinese slowdown, contributed to a big upsurge in volatility. However, markets stabilised from mid February onwards. Monetary policy stimulus from the European Central Bank was a contributory factor. 10-year Gilt yields fell; this was mainly due to weak domestic economic data and heightened risk aversion which prompted a flight to higher quality assets. However, market sentiment changed once more in April. A recovery in the oil price improved the mood for investors and core bond markets sold off while risk assets, including corporate bonds and equities outperformed. In terms of UK domestic news, opinion polls showed the lead of the 'Remain' camp in the upcoming UK referendum on continuing membership of the European Union (EU) widening through May and this was reflected in sterling strength.

As June wore on, opinion polls swung between a likely 'Leave' vote and a close 'Remain' victory but as the 23 June vote date loomed, investors became seemingly complacent that the 'Remain' camp would prevail. When it finally became clear that 'Leave' had won, there was a surge in volatility throughout markets as investors abandoned higher risk assets. The yield on UK 10-year government bonds finished the month just over 60 basis points lower, while sterling fell nearly 10% versus the dollar. In July, a new Conservative Party leader was elected much more quickly than expected. EU leaders have signalled that there can be no negotiations on the UK's exit until Article 50 of the Lisbon Treaty is triggered. The BoE unexpectedly delayed taking action at the July Monetary Policy Committee meeting. Disappointing post-Brexit economic data further increased expectations of an interest rate cut at the August meeting. Accordingly, markets were pricing for a 0.25% deposit rate cut in August in the event the BoE's monetary policy meeting in August over delivered relative to expectations. Interest rates were duly cut but markets were surprised by a resumption of quantitative easing and a corporate bond buying programme. This was complemented with a Term Funding Scheme, created to help ease the transmission of the easing of conditions into the real economy.

The Fund began the review period with various relative value type trades on. These types of trades involve going over or underweight various bonds relative to benchmark based on a variety of factors including expected supply & demand, liquidity and perceived richness or cheapness. A particular ongoing theme is going underweight eight-month inflation-linked bonds, these are older bonds that are not issued anymore and are therefore more illiquid. In November, following a sharp increase in market implied inflation which we viewed to be unjustified, we entered a short breakeven trade (an inflation proxy, given it involves buying a nominal bond and selling the corresponding inflation-linked bond). We took profits on this trade in December as 30-year breakevens retraced to previous levels.

The beginning of 2016 brought large spikes in volatility. In part this was due to concerns of a global slowdown in growth following further drops in the oil price (thought to be demand driven), fears around China and worries around European bank profitability. This volatility caused eight-month inflation-linked bonds to underperform since a higher illiquidity premium had to be factored in to their price. During the first quarter of 2016, given the high levels of market volatility and increasing uncertainty surrounding central bank activity due to the UK's EU referendum, we felt it was prudent to maintain a neutral duration outlook.

At the beginning of June, following a sharp rally in bond yields, the Fund took a short duration position anticipating that markets had overreacted to negative headlines and higher bond yields would follow. Unfortunately as the UK's referendum approached, we felt it prudent to exit the position at a loss and thus reduce risk before the vote. As the end of the month approached, the vote became the main focus not just in the UK but globally too with polls & surveys of voters coming under increased scrutiny. Following the results of the EU referendum we added US dollar exposure to the portfolio, expressing a view of monetary policy divergence and a clear difference in growth outlook between the two economies for the foreseeable future. The US dollar exposure versus sterling made a positive contribution in August as the pound weakened following the BoE's August meeting.

In the aftermath of the UK's vote to leave the EU, the Bank of England acted to stabilise markets. Governor Mark Carney cut the base rate by 0.25% and announced a resumption of QE. This will involve the purchase of £60 billion of gilts in the open market over six months and 10-year yields moved sharply lower on the news. However, the perception is growing that the monetary toolkit of the world's policy makers is now close to fully exploited. This has led to an intensification of calls for fiscal stimulus in the UK, whether policy is meaningful enough in size and design to have a significant impact on growth remains to be seen.

Aberdeen Asset Investments Limited
September 2016

for the year ended 31 August 2016

Distribution

XD dates	Payment dates
30/11/15	31/01/16
29/02/16	30/04/16
31/05/16	31/07/16
31/08/16	31/10/16

Ongoing charges figure

	31/08/16 %	31/08/15 %
W Gross Accumulation	0.01	0.01

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Sterling Denominated Bonds	99.52	99.55
Derivatives	0.00	-
Net other assets	0.48	0.45
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
W Gross Accumulation	147.02	116.91	25.75

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %
UK Index Linked Gilt Fund W Gross Accumulation	25.32	10.24

Source: Scottish Widows Unit Trust Managers Limited. Basis: Gross revenue reinvested and net of expenses.

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

Distribution

	First interim 30/11/15 (p)	Second interim 29/02/16 (p)	Third interim 31/05/16 (p)	Final 31/08/16 (p)
W Gross Accumulation	0.2866	0.2695	0.2373	0.1821

Major holdings

	31/08/16	31/08/16 %	31/08/15	31/08/15 %
1.	UK Treasury 1.25% Index-Linked 22/11/2027	11.44	UK Treasury 1.875% Index-Linked 22/11/2022	14.17
2.	UK Treasury 0.625% Index-Linked 22/03/2040	7.77	UK Treasury 1.25% Index-Linked 22/11/2027	10.90
3.	UK Treasury 0.375% Index-Linked 22/03/2062	6.51	UK Treasury 0.625% Index-Linked 22/03/2040	7.87
4.	UK Treasury 0.75% Index-Linked 22/03/2034	6.48	UK Treasury 1.25% Index-Linked 22/11/2055	6.59
5.	UK Treasury 1.25% Index-Linked 22/11/2055	6.20	UK Treasury 0.375% Index-Linked 22/03/2062	6.08
6.	UK Treasury 0.125% Index-Linked 22/03/2068	5.96	UK Treasury 0.625% Index-Linked 22/11/2042	5.47
7.	UK Treasury 0.25% Index-Linked 22/03/2052	5.33	UK Treasury 0.25% Index-Linked 22/03/2052	5.40
8.	UK Treasury 0.125% Index-Linked 22/11/2019	5.31	UK Treasury 2.5% Index-Linked 17/07/2024	5.06
9.	UK Treasury 0.625% Index-Linked 22/11/2019	5.01		
	Number of holdings: 25		Number of holdings: 22	

Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.

Summary of portfolio by credit ratings

Rating block	31/08/16 %	31/08/15 %
Investment grade (AAA to BBB-)	99.52	99.55
Total bonds	99.52	99.55
Other	0.48	0.45
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

CAPITAL PROTECTED FUND 18

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

- On the Protection Date to provide:
  - a protected minimum amount, and
  - capital growth linked to the performance of a stock market index.

Definitions

Capital Protected Price is the minimum Share Price the Fund aims to achieve on the Protection Date.

Protection Date is the date on which the Share Price reflects the maturity value of the derivatives.

Derivative Date is the date on and from which the Scheme Property is invested in derivatives.

Cash Investment Period is the period during which Shares may be issued.

Growth Potential Period is the period during which the Scheme Property is invested in derivatives.

Increase means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging.

Index is the FTSE 100.

Upper limit is 48%. This is a cap on the Increase such that if the Increase is greater than 48% Shareholders will only get an increase of 48% (i.e. the Participation Rate x 48% = 48%).

Risks

General risks that apply to your investment:

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

Risks that apply specifically during the Cash Investment Period:

- During this period the Fund invests in cash on deposit and other similar investments, in part by investing in the Global Liquidity Fund which is managed by our Investment Adviser, Aberdeen Asset Investments Limited. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- When the Fund is invested in cash and other similar investments during the period up to the Derivative Date your investment may not receive any interest and may fall in value.

Risks that apply specifically during the Growth Potential Period:

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the Derivatives. The value of these will depend to some extent on the level of the Index, but will also be affected by other factors, such as the volatility of the market, the level of interest rates and the time to maturity of the Derivatives. Therefore what you get back will not equal actual Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are arranged with a single counterparty. Should that counterparty fail to meet its obligations, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian (the independent custodian for the Fund is State Street Bank & Trust Company). Should the counterparty fail, we will use this collateral.
- If the Derivative provider (the counterparty) fails to meet its obligations and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

FUND PROFILE (CONTINUED)

Risks that apply specifically at the end of the term:

- At the end of the term, you might get back less than if you invested directly in the shares that make up the Index. This is mainly because:
  - a cap is set on any amount payable in addition to your Capital Protected Value, this could mean you receive less growth.
  - if you held shares directly you would be paid an income (dividends); and
  - the Averaging that's applied to determine the value of the Index will mean that if the Index rises, your returns may be lower than investing in the shares of the Index directly where Averaging would not apply.
- In the event that the Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

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

INVESTMENT ADVISER'S REVIEW

The Fund is designed to provide investors with a Capital Protected Value on the Protection Date together with capital growth linked to the performance of the FTSE 100 Index. The Fund is invested primarily in derivatives that are designed to provide, on the Protection Date, both growth linked to the FTSE 100 Index and protection so that, if the index goes down, the amount you invested should remain safe, provided you hold your investment to the Protection Date.

The Cash Investment Period ran from 7 February 2011 to 6 May 2011, during which time the Fund invested in cash or similar instruments. The Fund began investing in derivatives on 20 May 2011, at which point the FTSE 100 Index stood at 5,948.49. At the end of the reporting period the FTSE 100 Index stood at 6,781.51.

Despite some Brexit induced volatility towards the end of the 12 months, UK large-cap equities performed well over the reporting period.

In the run-up to the June referendum all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift, global stockmarkets sold off, sterling fell to a 30-year low against the US dollar and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Aberdeen Asset Investments Limited
September 2016

CAPITAL PROTECTED FUND 18 (CONTINUED)

for the year ended 31 August 2016

Ongoing charges figure

	31/08/16 %	31/08/15 %
M Accumulation	-	-

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Derivatives	100.01	99.98
Net other (liabilities)/assets	(0.01)	0.02
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
M Accumulation	117.96	110.03	7.21

The Protection Date for the M share class is 5 May 2017.
The Capital Protected Price is 108.30p.
The FTSE 100 Index starting value is 5,948.49.

Performance record

	01/09/15 to 31/08/16	01/09/14 to 31/08/15	01/09/13 to 31/08/14	01/09/12 to 31/08/13	01/09/11 to 31/08/12
Capital Protected Fund 18 M Accumulation	8.26	(4.22)	5.18	5.36	14.05

Source: Scottish Widows Unit Trust Managers Limited. 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.

Holdings

	31/08/16 %		31/08/15 %
1. Lloyds Bank plc 100% Call Option May 2017	57.23	Lloyds Bank plc 120% Put Option May 2017	108.20
2. Lloyds Bank plc 120% Put Option May 2017	43.33	Lloyds Bank plc 100% Call Option May 2017	43.68
3. Lloyds Bank plc 148% Call Option May 2017	0.00	Lloyds Bank plc 148% Call Option May 2017	(1.76)
4. Lloyds Bank plc 100% Put Option May 2017	(0.08)	Lloyds Bank plc 120% Call Option May 2017	(15.11)
5. Lloyds Bank plc 120% Call Option May 2017	(0.47)	Lloyds Bank plc 100% Put Option May 2017	(35.03)
Number of holdings: 5		Number of holdings: 5	

Please note: negative figures are shown in brackets.

FUND PROFILE

Fund objectives and investment policy

- On the Protection Date to provide:
  - a protected minimum amount, and
  - capital growth linked to the performance of a stock market index.

Definitions

Capital Protected Price is the minimum Share Price the Fund aims to achieve on the Protection Date.

Protection Date is the date on which the Share Price reflects the maturity value of the derivatives.

Derivative Date is the date on and from which the Scheme Property is invested in derivatives.

Cash Investment Period is the period during which Shares may be issued.

Growth Potential Period is the period during which the Scheme Property is invested in derivatives.

Increase means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging.

Index is the FTSE 100.

Upper limit is 82%. This is a cap on the Increase such that if the Increase is greater than 82% Shareholders will only get an increase of 82% (i.e. the Participation Rate x 82% = 82%).

Risks

General risks that apply to your investment:

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

Risks that apply specifically during the Cash Investment Period:

- During this period the Fund invests in cash on deposit and other similar investments, in part by investing in the Global Liquidity Fund which is managed by our Investment Adviser, Aberdeen Asset Investments Limited. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- When the Fund is invested in cash and other similar investments during the period up to the Derivative Date your investment may not receive any interest and may fall in value.

Risks that apply specifically during the Growth Potential Period:

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the Derivatives. The value of these will depend to some extent on the level of the Index, but will also be affected by other factors, such as the volatility of the market, the level of interest rates and the time to maturity of the Derivatives. Therefore what you get back will not equal actual Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are arranged with a single counterparty. Should that counterparty fail to meet its obligations, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian (the independent custodian for the Fund is State Street Bank & Trust Company). Should the counterparty fail, we will use this collateral.
- If the Derivative provider (the counterparty) fails to meet its obligations and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

FUND PROFILE (CONTINUED)

Risks that apply specifically at the end of the term:

- At the end of the term, you might get back less than if you invested directly in the shares that make up the Index. This is mainly because:
  - a cap is set on any amount payable in addition to your Capital Protected Value, this could mean you receive less growth.
  - if you held shares directly you would be paid an income (dividends); and
  - the Averaging that's applied to determine the value of the Index will mean that if the Index rises, your returns may be lower than investing in the shares of the Index directly where Averaging would not apply.
- In the event that the Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

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

INVESTMENT ADVISER'S REVIEW

The Fund is designed to provide investors with a Capital Protected Value on the Protection Date together with capital growth linked to the performance of the FTSE 100 Index. The Fund is invested primarily in derivatives that are designed to provide, on the Protection Date, both growth linked to the FTSE 100 Index and protection so that, if the index goes down, the amount you invested should remain safe, provided you hold your investment to the Protection Date.

The Cash Investment Period ran from 9 May 2011 to 2 September 2011, during which time the Fund invested in cash or similar instruments. The Fund began investing in derivatives on 16 September 2011, at which point the FTSE 100 Index stood at 5,368.41. At the end of the reporting period the FTSE 100 Index stood at 6,781.51.

Despite some Brexit induced volatility towards the end of the 12 months, UK large-cap equities performed well over the reporting period.

In the run-up to the June referendum all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift, global stockmarkets sold off, sterling fell to a 30-year low against the US dollar and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Aberdeen Asset Investments Limited
September 2016

Ongoing charges figure

	31/08/16 %	31/08/15 %
M Accumulation	-	-

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Derivatives	100.00	99.99
Net other assets	0.00	0.01
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
M Accumulation	132.28	118.10	12.01

The Protection Date for the M share class is 4 September 2017.
The Capital Protected Price is 108.80p.
The FTSE 100 Index starting value is 5,368.41.

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	16/09/11 to 31/08/12 %	01/09/11 to 16/09/11 %
Capital Protected Fund 19 M Accumulation	12.52	(4.40)	5.59	6.21	9.39	0.00

Source: Scottish Widows Unit Trust Managers Limited. 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.

Holdings

		31/08/16 %		31/08/15 %
1.	Lloyds Bank plc 100% Call Option September 2017	117.73	Lloyds Bank plc 100% Call Option September 2017	87.83
2.	Lloyds Bank plc 120% Put Option September 2017	13.02	Lloyds Bank plc 120% Put Option September 2017	64.72
3.	Lloyds Bank plc 182% Call Option September 2017	0.00	Lloyds Bank plc 182% Call Option September 2017	(1.80)
4.	Lloyds Bank plc 100% Put Option September 2017	(0.08)	Lloyds Bank plc 100% Put Option September 2017	(23.76)
5.	Lloyds Bank plc 120% Call Option September 2017	(30.67)	Lloyds Bank plc 120% Call Option September 2017	(27.00)
	Number of holdings: 5		Number of holdings: 5	

Please note: negative figures are shown in brackets.

FUND PROFILE

Fund objectives and investment policy

- On the Protection Date to provide:
  - a protected minimum amount, and
  - capital growth linked to the performance of a stock market index.

Definitions

Capital Protected Price is the minimum Share Price the Fund aims to achieve on the Protection Date.

Protection Date is the date on which the Share Price reflects the maturity value of the derivatives.

Derivative Date is the date on and from which the Scheme Property is invested in derivatives.

Cash Investment Period is the period during which Shares may be issued.

Growth Potential Period is the period during which the Scheme Property is invested in derivatives.

Increase means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging.

Index is the FTSE 100.

Upper limit is 52%. This is a cap on the Increase such that if the Increase is greater than 52% Shareholders will only get an increase of 52% (i.e. the Participation Rate x 52% = 52%).

Risks

General risks that apply to your investment:

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

Risks that apply specifically during the Cash Investment Period:

- During this period the Fund invests in cash on deposit and other similar investments, in part by investing in the Global Liquidity Fund which is managed by our Investment Adviser, Aberdeen Asset Investments Limited. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- When the Fund is invested in cash and other similar investments during the period up to the Derivative Date your investment may not receive any interest and may fall in value.

Risks that apply specifically during the Growth Potential Period:

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the Derivatives. The value of these will depend to some extent on the level of the Index, but will also be affected by other factors, such as the volatility of the market, the level of interest rates and the time to maturity of the Derivatives. Therefore what you get back will not equal actual Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are arranged with a single counterparty. Should that counterparty fail to meet its obligations (for example, if it were to become insolvent or unable to meet the claims against it) then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian (the independent custodian for the Fund is State Street Bank & Trust Company). Should the counterparty fail, we will use this collateral.

FUND PROFILE (CONTINUED)

- If the Derivative provider (the counterparty) fails to meet its obligations and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term:

- At the end of the term, you might get back less than if you invested directly in the shares that make up the Index. This is mainly because:
  - a cap is set on any amount payable in addition to your Capital Protected Value, this could mean you receive less growth.
  - if you held shares directly you would be paid an income (dividends); and
  - the Averaging that's applied to determine the value of the Index will mean that if the Index rises, your returns may be lower than investing in the shares of the Index directly where Averaging would not apply.
- In the event that the Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

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

INVESTMENT ADVISER'S REVIEW

The Fund is designed to provide investors with a Capital Protected Value on the Protection Date together with capital growth linked to the performance of the FTSE 100 Index. The Fund is invested primarily in derivatives that are designed to provide, on the Protection Date, both growth linked to the FTSE 100 Index and protection so that, if the index goes down, the amount you invested should remain safe, provided you hold your investment to the Protection Date.

The Cash Investment Period ran from 24 August 2011 to 27 January 2012, during which time the Fund invested in cash or similar instruments. The Fund began investing in derivatives on 10 February 2012, at which point the FTSE 100 Index stood at 5,852.39. At the end of the reporting period the FTSE 100 Index stood at 6,781.51.

Despite some Brexit induced volatility towards the end of the 12 months, UK large-cap equities performed well over the reporting period.

In the run-up to the June referendum all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift, global stockmarkets sold off, sterling fell to a 30-year low against the US dollar and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Aberdeen Asset Investments Limited
September 2016

Ongoing charges figure

	31/08/16 %	31/08/15 %
M Accumulation	-	-

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Derivatives	100.01	99.99
Net other (liabilities)/assets	(0.01)	0.01
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
M Accumulation	120.91	109.36	10.56

The Protection Date for the M share class is 29 January 2018.
The Capital Protected Price is 108.70p.
The FTSE 100 Index starting value is 5,852.39.

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	10/02/12 to 31/08/12 %	01/09/11 to 10/02/12 %
Capital Protected Fund 20 M Accumulation	10.51	(3.27)	4.92	6.00	1.50	0.20

Source: Scottish Widows Unit Trust Managers Limited. 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.

Holdings

		31/08/16 %		31/08/15 %
1.	Lloyds Bank plc 100% Call Option January 2018	77.03	Lloyds Bank plc 120% Put Option January 2018	105.77
2.	Lloyds Bank plc 120% Put Option January 2018	38.40	Lloyds Bank plc 100% Call Option January 2018	60.82
3.	Lloyds Bank plc 152% Call Option January 2018	0.00	Lloyds Bank plc 152% Call Option January 2018	(3.02)
4.	Lloyds Bank plc 100% Put Option January 2018	(1.55)	Lloyds Bank plc 120% Call Option January 2018	(17.76)
5.	Lloyds Bank plc 120% Call Option January 2018	(13.87)	Lloyds Bank plc 100% Put Option January 2018	(45.82)
	Number of holdings: 5		Number of holdings: 5	

Please note: negative figures are shown in brackets.

CAPITAL PROTECTED FUND 21

for the year ended 31 August 2016

FUND PROFILE

Fund objectives and investment policy

- On the Protection Date to provide:
  - a protected minimum amount, and
  - capital growth linked to the performance of a stock market index.

Definitions

Capital Protected Price is the minimum Share Price the Fund aims to achieve on the Protection Date.

Protection Date is the date on which the Share Price reflects the maturity value of the derivatives.

Derivative Date is the date on and from which the Scheme Property is invested in derivatives.

Cash Investment Period is the period during which Shares may be issued.

Growth Potential Period is the period during which the Scheme Property is invested in derivatives.

Increase means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging.

Index is the FTSE 100.

Upper limit is 47%. This is a cap on the Increase such that if the Increase is greater than 47% Shareholders will only get an increase of 47% (i.e. the Participation Rate x 47% = 47%).

Risks

General risks that apply to your investment:

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

Risks that apply specifically during the Cash Investment Period:

- During this period the Fund invests in cash on deposit and other similar investments, in part by investing in the Global Liquidity Fund which is managed by our Investment Adviser, Aberdeen Asset Investments Limited. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- When the Fund is invested in cash and other similar investments during the period up to the Derivative Date your investment may not receive any interest and may fall in value.

Risks that apply specifically during the Growth Potential Period:

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the Derivatives. The value of these will depend to some extent on the level of the Index, but will also be affected by other factors, such as the volatility of the market, the level of interest rates and the time to maturity of the Derivatives. Therefore what you get back will not equal actual Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are arranged with a single counterparty. Should that counterparty fail to meet its obligations, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian (the independent custodian for the Fund is State Street Bank & Trust Company). Should the counterparty fail, we will use this collateral.

FUND PROFILE (CONTINUED)

- If the Derivative provider (the counterparty) fails to meet its obligations and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term:

- At the end of the term, you might get back less than if you invested directly in the shares that make up the Index. This is mainly because:
  - a cap is set on any amount payable in addition to your Capital Protected Value, this could mean you receive less growth.
  - if you held shares directly you would be paid an income (dividends); and
  - the Averaging that's applied to determine the value of the Index will mean that if the Index rises, your returns may be lower than investing in the shares of the Index directly where Averaging would not apply.
- In the event that the Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

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

INVESTMENT ADVISER'S REVIEW

The Fund is designed to provide investors with a Capital Protected Value on the Protection Date together with capital growth linked to the performance of the FTSE 100 Index. The Fund is invested primarily in derivatives that are designed to provide, on the Protection Date, both growth linked to the FTSE 100 Index and protection so that, if the index goes down, the amount you invested should remain safe, provided you hold your investment to the Protection Date.

The Cash Investment Period ran from 26 January 2012 until 24 May 2012, during which time the Fund invested in cash or similar instruments. The Fund began investing in derivatives on 12 June 2012, at which point the FTSE 100 Index stood at 5,473.74. At the end of the reporting period the FTSE 100 Index stood at 6,781.51.

Despite some Brexit induced volatility towards the end of the 12 months, UK large-cap equities performed well over the reporting period.

In the run-up to the June referendum, all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift, global stockmarkets sold off, sterling fell to a 30-year low against the US dollar and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Aberdeen Asset Investments Limited
September 2016

CAPITAL PROTECTED FUND 21 (CONTINUED)

for the year ended 31 August 2016

Ongoing charges figure

	31/08/16 %	31/08/15 %
M Accumulation	-	-

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

Details of investments

Investments	31/08/16 %	31/08/15 %
Derivatives	100.00	100.00
Net other assets	0.00	0.00
Total net assets	100.00	100.00

Net asset value

	NAV per share 31/08/16 (p)	NAV per share 31/08/15 (p)	NAV percentage change %
M Accumulation	125.12	110.47	13.26

The Protection Date for the M share class is 25 May 2018.
The Capital Protected Price is 108.70p.
The FTSE 100 Index starting value is 5,473.74.

Performance record

	01/09/15 to 31/08/16 %	01/09/14 to 31/08/15 %	01/09/13 to 31/08/14 %	01/09/12 to 31/08/13 %	12/06/12 to 31/03/12 %	26/01/12 to 12/06/12 %
Capital Protected Fund 21 M Accumulation	14.77	(2.68)	7.07	4.08	0.40	0.10

Source: Scottish Widows Unit Trust Managers Limited. 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.

Holdings

	31/08/16	%	31/08/15	%
1.	Lloyds Bank plc 100% Call Option May 2018	105.02	Lloyds Bank plc 120% Put Option May 2018	87.64
2.	Lloyds Bank plc 120% Put Option May 2018	32.53	Lloyds Bank plc 100% Call Option May 2018	85.29
3.	Lloyds Bank plc 147% Call Option May 2018	0.00	Lloyds Bank plc 147% Call Option May 2018	(3.17)
4.	Lloyds Bank plc 100% Put Option May 2018	(2.42)	Lloyds Bank plc 120% Call Option May 2018	(30.71)
5.	Lloyds Bank plc 100% Put Option May 2018	(35.13)	Lloyds Bank plc 120% Call Option May 2018	(39.05)
	Number of holdings: 5		Number of holdings: 5	

Please note: negative figures are shown in brackets.

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