



# Scottish Widows Investment Solutions Funds ICVC

Interim Short Report  
for the period ended  
30 November 2012

# Scottish Widows Investment Solutions Funds ICVC

## The Company

Scottish Widows Investment Solutions Funds ICVC

15 Dalkeith Road

Edinburgh

EH16 5WL

Incorporated in Great Britain under registered number IC000409. Authorised and regulated by the Financial Services Authority.

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

Scottish Widows Unit Trust Managers Limited

### *Registered Office:*

Charlton Place

Andover

SP10 1RE

### *Head Office:*

15 Dalkeith Road

Edinburgh

EH16 5WL

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

## Investment Adviser

Scottish Widows Investment Partnership Limited

### *Registered Office:*

33 Old Broad Street

London

EC2N 1HZ

### *Business Address:*

Edinburgh One

60 Morrison Street

Edinburgh

EH3 8BE

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

## Depository

State Street Trustees Limited

### *Registered Office:*

20 Churchill Place

London

E14 5HJ

### *Head Office:*

525 Ferry Road

Edinburgh

EH5 2AW

Authorised and regulated by the Financial Services Authority.

## Independent Auditors

PricewaterhouseCoopers LLP

Erskine House

68-73 Queen Street

Edinburgh

EH2 4NH

# 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](http://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 0845 300 2244 or download the Financial Statements from the website [www.scottishwidows.co.uk](http://www.scottishwidows.co.uk) which is a website maintained by Scottish Widows Unit Trust Managers Limited.

Fund prices can also be found at the above website.

# Prospectus changes

During the period 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 Investment Solutions Funds ICVC:

- The wording in the prospectus was updated on 30 June 2012 to explain that Shares in the Funds are currently only available to be acquired or switched by persons that are resident in the UK (unless the ACD agrees otherwise). The ACD is unable to accept business from persons who are US residents or subsequently become US residents;
- The prospectus was updated on 30 June 2012 to modify the wording describing the custodian arrangements and to show the current rates of custody charges applicable to each fund;
- The wording in the prospectus was updated on 30 June 2012 to explain the method used for the calculation of the global exposure of derivative and forward transactions that may be used by the Funds;
- On 12 November 2012 a new Share Class was introduced: Class G net income share and a Class G net accumulation share. The Class G net accumulation share is available in the Defensive Solution, Cautious Solution, Discovery Solution, Balanced Solution, Strategic Solution, Dynamic Solution and Adventurous Solution funds. The Class G net income share is only available in the Defensive Solution, Cautious Solution and Discovery Solution funds.

## Important information

- Amendments to the UK Regulations governing Open-Ended Investment Companies and the FSA's Collective Investment Schemes sourcebook which require limitation of liability between sub-funds of the Company came into effect on 21 December 2011. The new segregated liability regime is mandatory and it is our intention to apply to the FSA within the transitional period for approval to amend the Company's Prospectus and Instrument of Incorporation which will provide for this change. The transitional implementation period is open until 20 December 2013.
- On 31 July 2008 a motion was passed by shareholders in the Defensive Solution, Cautious Solution, Discovery Solution, Balanced Solution, Strategic Solution, Dynamic Solution and Adventurous Solution funds allowing changes to the objectives, policy and investment and borrowing powers of each of these Funds. These changes were made to allow more flexibility and efficiency in managing the Funds and provide more options as to the type of asset classes that each Fund can invest in.

As at 30 November 2012, the restructuring of these funds continues and the change in asset allocation continues to progress and the sale of gilts is now complete. Portfolios will be fully optimised in due course subject to market conditions. The proceeds from the sale of gilts have been partially reinvested in corporate bonds with the remainder being held in cash until market liquidity in corporate bonds improves.

These restructuring changes described above apply to the Defensive Solution, Cautious Solution, Discovery Solution, Balanced Solution and Strategic Solution funds only.

FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure primarily to equities (including UK, overseas and emerging markets equities). The Fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property and commodities. In addition the Fund has the power to invest in other asset classes permitted by the FSA rules. Exposure will be generally to UK investments but with a significant proportion overseas.

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:

- 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;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
1	2	3	4	5	6	7

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

INVESTMENT MANAGER'S REVIEW

The portfolio is predominantly invested in equities, although there are some smaller holdings in commercial property, commodities and corporate bonds. Equities outperformed most of the other main asset classes, with the result that the Fund rose by 9.27 % over the six months under review.

The eurozone's sovereign debt crisis has continued to dominate sentiment, dictating the ebb and flow of equity markets. Share prices across the world took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities. As a result, most major stock markets (with the exception of Japan) have produced positive returns over the last six months.

The influence of the US economy on global markets has also been a generally positive one. US stocks have been bolstered by signs of growth and the Federal Reserve's recent decision to introduce more monetary easing. This is similar in nature to the "quantitative easing" measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will help to boost the jobs market, which has been flagging, as well as the wider economy.

The past six months represented a rewarding time for corporate bond investors. The start of 2012 brought a strong rally, driven by a perception that corporate bond prices were overly depressed. Of the other smaller asset classes in which the Fund invests, commodities have on the whole struggled to produce gains during the last six months. Meanwhile, the Fund's investments in the commercial property market delivered a modest but positive return.

Within the portfolio, we reduced exposure to commercial property, commodities and cash during November and invested the proceeds in international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

# Adventurous Solution (continued)

for the period ended 30 November 2012

Looking ahead, there are some reasons for optimism. In Europe, there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. Several uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, more volatility is likely, but we are confident the portfolio is positioned to participate in any further gains during the coming year.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.84	n/a
G Accumulation	1.38	n/a
X Accumulation	0.19	n/a

Share class G Accumulation was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Equity Funds	81.91	80.92
Bond Funds	5.95	6.03
Property Funds	5.95	6.72
Other Funds	2.83	6.16
Derivatives	0.08	(0.46)
Net other assets	3.28	0.63
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
A Accumulation	129.58	118.59	9.27
G Accumulation	101.62	-	-
X Accumulation	142.15	129.23	10.00

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	01/06/09 to 31/05/10 %	01/06/08 to 31/05/09 %	01/06/07 to 31/05/08 %
<b>Adventurous Solution</b>						
A Accumulation	9.27	(6.39)	16.56	24.04	(24.13)	(6.78)

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

## Top five holdings

	30/11/12 %		31/05/12 %
1. SWIP Multi-Manager International Equity Fund A Acc ‡	26.33	SWIP Multi-Manager International Equity Fund A Acc ‡	25.25
2. SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	16.86	SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	16.95
3. SWIP Multi-Manager UK Equity Income Fund A Acc ‡	15.86	SWIP Multi-Manager UK Equity Income Fund A Acc ‡	15.95
4. SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	15.84	SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	15.84
5. SWIP High Yield Bond Fund A Inc ‡	5.95	SWIP High Yield Bond Fund A Acc	6.03

Number of holdings: 25

Number of holdings: 25

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure to equities (including UK, overseas and emerging markets equities) balanced mainly with fixed interest securities (including UK fixed interest securities and overseas high yield bonds). The Fund will also provide exposure to property, commodities and other asset classes. Exposure will be to both UK and overseas markets.

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).

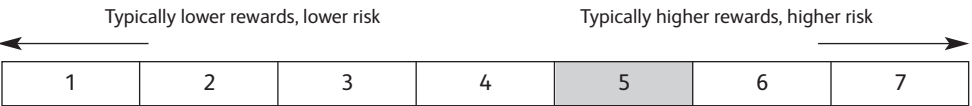
Any Income received by the Fund is retained in the Fund and has the effect of increasing the share price.

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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the risk and reward indicator.



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

INVESTMENT MANAGER’S REVIEW

The portfolio is split between UK equities, international equities, bonds, real estate and alternative investments. This balanced approach enabled the Fund to take advantage of the gains that were produced by several asset classes, with the result that the Fund rose by 7.84% over six months to the end of November.

Looking first at the Fund’s corporate bond holdings, the asset class performed well throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors’ appetite for risk led to high demand for high yield bonds and resulted in the particularly strong performance in the Fund’s holdings in this part of the market.

Moving on to the Fund’s equity holdings, global equities have produced an encouraging performance. This has been influenced by the US economy, which has shown sporadic signs of growth. Meanwhile, investors also took cheer from the Federal Reserve’s recent decision to introduce more monetary easing. This is similar in nature to the “quantitative easing” measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will keep borrowing costs low, which will boost the economy in general and particularly help the jobs market, which has been flagging.

Elsewhere the eurozone’s sovereign debt crisis has continued to dominate sentiment and has influenced the direction of share prices both on the continent and in the UK. Markets took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president, Mario Draghi pledged to do “whatever it takes” to preserve the euro, fuelling a renewed appetite for riskier investments such as equities.

Meanwhile, the Fund’s investments in the commercial property market delivered a modest but positive return. A growing proportion of these returns were driven by rental income, however, rather than capital growth. We are seeing capital values declining in many sectors of the market, with only the London office market continuing to show real growth.

# Balanced Solution (continued)

for the period ended 30 November 2012

Within the portfolio, we reduced the Fund's equity exposure slightly during August, as we took the view that following the stock market rally, prices had become fully valued given the risks that remained. The proceeds were held in cash until November, when we decided to re-invest in the stock market via international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but we are confident the diversified nature of the portfolio will enable investors to exploit further opportunities throughout financial markets in the coming year.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.89	n/a
G Accumulation	1.38	n/a
X Accumulation	0.24	n/a

Share class G Accumulation was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Equity Funds	48.01	46.77
Bond Funds	35.26	36.91
Property Funds	11.93	12.27
Other Funds	3.56	3.53
Derivatives	0.05	(0.29)
Net other assets	1.19	0.81
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
A Accumulation	123.77	114.83	7.79
G Accumulation	100.90	-	-
X Accumulation	135.87	125.22	8.51

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	01/06/08 to 31/05/09	01/06/07 to 31/05/08
	%	%	%	%	%	%
<b>Balanced Solution</b>	<b>7.84</b>	<b>(3.45)</b>	<b>12.28</b>	<b>20.07</b>	<b>(16.40)</b>	<b>(7.13)</b>
A Accumulation						

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

## Major holdings

	30/11/12		31/05/12
	%		%
1. SWIP High Yield Bond Fund A Inc ‡	15.40	SWIP High Yield Bond Fund A Inc ‡	15.61
2. SWIP Multi-Manager International Equity Fund A Acc‡	13.00	SWIP Multi-Manager International Equity Fund A Acc‡	12.35
3. SWIP Corporate Bond Plus Fund A Inc ‡	12.00	SWIP Corporate Bond Plus Fund A Inc ‡	11.97
4. SWIP Property Trust A Acc ‡	8.87	SWIP Property Trust A Acc ‡	9.22
5. SWIP Multi-Manager UK Equity Income Fund A Acc‡	8.08	SWIP Multi-Manager UK Equity Income Fund A Acc ‡	7.92
6. SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	7.88	SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	7.86
7. SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	7.10	SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	6.87
8. SWIP UK Enhanced Equity Fund A Acc ‡	6.97	SWIP UK Enhanced Equity Fund A Acc ‡	6.82

Number of holdings: 29

Number of holdings: 31

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.



FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give an income with some potential for long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure generally to fixed interest securities (including UK government bonds, other UK fixed interest securities and overseas high yield bonds). The Fund will also provide exposure to equities (including UK and overseas equities), property, commodities and other asset classes. Exposure will be generally to UK investments but with a significant proportion overseas.

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

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

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



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

INVESTMENT MANAGER'S REVIEW

The period under review has been a positive one for most asset classes. There was an upturn in confidence among investors, with the result that riskier assets, such as equities outperformed. The Fund adopts a comparatively cautious approach, which means it did not participate in the rally to the same extent as Funds that are focussed purely on equities. Nonetheless, it generated a healthy return of 6.25% over the six months under review.

Some of the Fund's best returns were generated by holdings in corporate bonds. The asset class has performed well throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors' appetite for risk led to high demand for high yield bonds and resulted in the strong performance in the Fund's holdings in this part of the market.

The Fund has a small equity position that is concentrated mainly within the UK. However, returns have been heavily influenced by events in the eurozone, where the sovereign debt crisis has continued to dominate sentiment. This has had a big influence on the direction of share prices. Fresh concerns about the state of the Greek economy initially held back share prices. These concerns grew to encompass Italy and Spain. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities. The Fund's holdings in bonds issued by European companies also responded very well to this announcement.

Meanwhile, the Fund's investments in the UK commercial property market delivered a modest but positive return. A growing proportion of these returns were driven by rental income, however, rather than capital growth. We are seeing capital values declining in many sectors of the market, with only the London office market continuing to show real growth.

Within the portfolio, we reduced the Fund's equity exposure slightly during August, as we took the view that following the stock market rally, prices had become fully valued given the risks that remained. The proceeds were held in cash until November, when we decided to re-invest in the stock market via international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

# Cautious Solution (continued)

for the period ended 30 November 2012

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but the Fund's cautious approach should help smooth returns, while allowing investors to participate in the market's gains.

## Distribution

XD date	Payment date
31/08/12	31/10/12
30/11/12	31/01/13

## Ongoing charges figure

	30/11/12 %	31/05/12 %
A Accumulation	1.61	n/a
A Income	1.61	n/a
G Accumulation	1.09	n/a
G Income	1.09	n/a
X Accumulation	0.26	n/a

Share class G Accumulation was launched 12 November 2012.

Share class G Income was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12 %	31/05/12 %
Bond Funds	59.70	66.06
Equity Funds	19.46	18.57
Property Funds	13.24	13.44
Other Funds	5.86	1.47
Derivatives	0.01	(0.16)
Net other assets	1.73	0.62
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
A Accumulation	122.41	115.25	6.21
A Income	101.16	96.47	4.86
G Accumulation	100.28	—	—
G Income	100.27	—	—
X Accumulation	132.07	123.68	6.78

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	01/06/09 to 31/05/10 %	01/06/08 to 31/05/09 %	01/06/07 to 31/05/08 %
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## Cautious Solution

A Accumulation	6.25	(0.78)	8.50	16.43	(10.34)	(4.30)
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Source: Lipper for Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses. Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

## Distribution

	First interim 31/08/12 (p)	Second interim 30/11/12 (p)
A Accumulation	0.8029	0.7338
A Income	0.6721	0.6102
G Accumulation	-	0.0044
G Income	-	0.0044
X Accumulation	1.2073	1.1429

## Major holdings

	30/11/12 %		31/05/12 %
1. SWIP Corporate Bond Plus Fund A Inc ‡	19.58	SWIP Corporate Bond Plus Fund A Inc ‡	20.12
2. SWIP Sterling Credit Advantage Fund A Inc ‡	15.86	SWIP Sterling Credit Advantage Fund A Inc ‡	16.15
3. SWIP High Yield Bond Fund A Inc ‡	15.34	SWIP High Yield Bond Fund A Inc ‡	15.22
4. SWIP Property Trust A Inc ‡	9.45	SWIP Property Trust A Inc ‡	9.71
5. SWIP Multi-Manager UK Equity Income Fund A Inc ‡	9.03	SWIP Multi-Manager UK Equity Income Fund A Inc ‡	8.72
6. Julius Baer Absolute Return Bond Fund A Inc	6.93	SWIP Gilt Plus Fund A Inc ‡	7.36
7.		Julius Baer Absolute Return Bond Fund A Inc	7.21

Number of holdings: 30

Number of holdings: 28

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

## FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give an income or growth (when income is kept in the Fund) by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure generally to fixed interest securities (including UK government bonds, other UK fixed interest securities and overseas high yield bonds). The Fund will also provide exposure to equities (including UK and overseas equities), property, commodities and other asset classes. Exposure will be mainly to UK investments but with a significant proportion overseas.

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

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

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
1	2	3	4	5	6	7

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

## INVESTMENT MANAGER'S REVIEW

The period under review has been a positive one for most asset classes. There was an upturn in confidence among investors, with the result that riskier assets such as equities outperformed. The Fund adopts a comparatively defensive approach, which means it did not participate in the rally to the same extent as Funds that are focussed on equities. Nonetheless, it generated a healthy return of 5.70% over the six months under review.

Some of the Fund's best returns were generated by holdings in corporate bonds. The asset class has performed well throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors' appetite for risk led to high demand for high yield bonds and resulted in the strong performance in the Fund's holdings in this part of the market.

The Fund has a small equity position that is concentrated mainly within the UK. However, returns have been heavily influenced by events in the eurozone, where the sovereign debt crisis has continued to dominate sentiment. This has had a big influence on the direction of share prices. Fresh concerns about the state of the Greek economy initially held back share prices. These concerns grew to encompass Italy and Spain. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities. The Fund's holdings in bonds issued by European companies also responded very well to this announcement.

Meanwhile, the Fund's investments in the UK commercial property market delivered a modest but positive return. A growing proportion of these returns were driven by rental income, however, rather than capital growth. We are seeing capital values declining in many sectors of the market, with only the London office market continuing to show real growth. The Fund's comparatively high weighting in commercial property had a negative impact on performance.

Within the portfolio, we reduced the Fund's equity exposure slightly during August, as we took the view that following the stock market rally, prices had become fully valued given the risks that remained. The proceeds were held in cash until November, when we decided to re-invest in the stock market via international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

# Defensive Solution (continued)

for the period ended 30 November 2012

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but the Fund's defensive approach should help smooth returns, while allowing investors to participate in any gains.

## Distribution

XD date	Payment date
31/08/12	31/10/12
30/11/12	31/01/13

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.60	n/a
A Income	1.60	n/a
G Accumulation	1.11	n/a
G Income	1.11	n/a
X Accumulation	0.25	n/a

Share class G Accumulation was launched 12 November 2012.

Share class G Income was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Bond Funds	66.05	74.28
Equity Funds	13.70	12.46
Property Funds	10.50	10.33
Other Funds	9.12	1.87
Derivatives	0.01	(0.18)
Net other assets	0.62	1.24
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
A Accumulation	116.80	110.47	5.73
A Income	97.19	92.93	4.58
G Accumulation	100.14	-	-
G Income	100.13	-	-
X Accumulation	126.05	118.57	6.31

## Performance record

	01/06/12	01/06/11	01/06/10	01/06/09	01/06/08	01/06/07
	to	to	to	to	to	to
	30/11/12	31/05/12	31/05/11	31/05/10	31/05/09	31/05/08
	%	%	%	%	%	%

## Defensive Solution

A Accumulation	5.70	(0.27)	6.64	15.32	(8.51)	(4.67)
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Source: Lipper for Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

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

## Distribution

	First interim	Second interim
	31/08/12	30/11/12
	(p)	(p)
A Accumulation	0.6667	0.5931
A Income	0.5595	0.4955
G Accumulation	-	0.0004
G Income	-	0.0004
X Accumulation	1.0458	0.9751

## Major holdings

	30/11/12		31/05/12
	%		%
1. SWIP Sterling Credit Advantage Fund A Inc ‡	24.96	SWIP Corporate Bond Plus Fund A Inc ‡	25.00
2. SWIP Corporate Bond Plus Fund A Inc ‡	24.74	SWIP Sterling Credit Advantage Fund A Inc ‡	24.82
3. SWIP Property Trust A Inc ‡	8.07	SWIP Gilt Plus Fund A Inc ‡	10.25
4. SWIP High Yield Bond Fund A Inc ‡	7.43	SWIP Property Trust A Inc ‡	7.81
5. Julius Baer Absolute Return Bond Fund A Inc	6.97	SWIP High Yield Bond Plus Fund A Inc ‡	7.19
6. SWIP Multi-Manager UK Equity Income Fund A Inc ‡	6.11	Julius Baer Absolute Return Bond Fund A Inc	7.02
7. SWIP Sterling Investment Cash Fund X Acc ‡	5.51	SWIP Multi-Manager UK Equity Income Fund A Inc ‡	5.62
8. Russell Absolute Return Equity Fund A Acc	5.03	Russell Absolute Return Equity Fund A Acc	5.01

Number of holdings: 29

Number of holdings: 27

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give an income with the potential for long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure mainly to fixed interest securities (including UK fixed interest securities and overseas high yield bonds) and equities (including UK and overseas equities). The Fund will also provide exposure to property, commodities and other asset classes. Exposure will be generally to UK investments but with a significant proportion overseas.

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

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

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



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

INVESTMENT MANAGER'S REVIEW

The portfolio is split between UK equities, international equities, bonds, real estate and alternative investments. Over the period under review, corporate bonds and equities provided some of the best returns. The Fund's holdings in these asset classes helped it to generate a return of 7.19% during the review period.

Looking first at the Fund's corporate bond holdings, the asset class performed well throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors' appetite for risk led to high demand for high yield bonds and resulted in the particularly strong performance in the Fund's holdings in this part of the market.

Moving on to the Fund's equity holdings, global equities have produced an encouraging performance. This has been influenced by the US economy, which has shown sporadic signs of growth. Meanwhile, investors also took cheer from the Federal Reserve's recent decision to introduce more monetary easing. This is similar in nature to the "quantitative easing" measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will keep borrowing costs low, which will boost the economy in general and particularly help the jobs market, which has been flagging.

Elsewhere the eurozone's sovereign debt crisis has continued to dominate sentiment and has influenced the direction of share prices both on the continent and in the UK. Markets took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities.

Meanwhile, the Fund's investments in the commercial property market delivered a modest but positive return. A growing proportion of these returns were driven by rental income, however, rather than capital growth. We are seeing capital values declining in many sectors of the market, with only the London office market continuing to show real growth.

Within the portfolio, we reduced the Fund's equity exposure slightly during August, as we took the view that following the stock market rally, prices had become fully valued given the risks that remained. The proceeds were held in cash until November, when

# Discovery Solution (continued)

for the period ended 30 November 2012

we decided to re-invest in the stock market via international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but we are confident the diversified nature of the portfolio will enable investors to exploit further opportunities throughout financial markets in the coming year.

## Distribution

XD date	Payment date
31/08/12	31/10/12
30/11/12	31/01/13

## Ongoing charges figure

	30/11/12 %	31/05/12 %
A Accumulation	1.61	n/a
A Income	1.61	n/a
G Accumulation	0.82	n/a
G Income	1.10	n/a
X Accumulation	0.26	n/a

Share class G Accumulation was launched 12 November 2012.  
Share class G Income was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12 %	31/05/12 %
Bond Funds	46.66	49.19
Equity Funds	35.25	33.73
Property Funds	12.97	13.17
Other Funds	3.15	3.68
Derivatives	0.04	(0.31)
Net other assets	1.93	0.54
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
A Accumulation	125.18	116.76	7.21
A Income	105.40	99.60	5.82
G Accumulation	100.63	-	-
G Income	100.62	-	-
X Accumulation	134.99	125.23	7.79

† Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	01/06/09 to 31/05/10 %	01/06/08 to 31/05/09 %	01/06/07 to 31/05/08 %
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## Discovery Solution

A Accumulation	7.19	(2.26)	10.85	18.50	(14.18)	(5.27)
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Source: Lipper for Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

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

## Distribution

	First interim 31/08/12 (p)	Second interim 30/11/12 (p)
A Accumulation	0.8055	0.8104
A Income	0.6872	0.6865
G Accumulation	-	0.0035
G Income	-	0.0020
X Accumulation	1.2154	1.2317

## Major holdings

	30/11/12 %		31/05/12 %
1. SWIP High Yield Bond Fund A Inc †	15.60	SWIP Corporate Bond Plus Fund A Inc †	15.94
2. SWIP Corporate Bond Plus Fund A Inc †	15.31	SWIP High Yield Bond Fund A Inc †	15.63
3. SWIP Property Trust A Inc †	9.86	SWIP Property Trust A Inc †	9.96
4. SWIP Sterling Credit Advantage Fund A Inc †	8.93	SWIP Sterling Credit Advantage Fund A Inc †	9.21
5. SWIP Multi-Manager International Equity Fund A Acc †	7.09	SWIP Multi-Manager UK Equity Income Fund A Inc †	7.04
6. SWIP Multi-Manager UK Equity Income Fund A Inc †	6.98	Julius Baer Absolute Return Bond Fund A Inc	6.28
7. SWIP Multi-Manager UK Equity Focus Fund A Acc †	5.96	SWIP Multi-Manager International Equity Fund A Acc †	5.90
8. Julius Baer Absolute Return Bond Fund A Inc	5.81	SWIP Multi-Manager UK Equity Focus Fund A Acc †	5.84
9. SWIP Multi-Manager UK Equity Growth Fund A Acc †	5.13	Russell Absolute Return Equity Fund A Acc	5.18
10. SWIP UK Enhanced Equity Fund A Acc †	5.05		
11. Russell Absolute Return Equity Fund A Acc	5.04		

Number of holdings: 30

Number of holdings: 30

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

FUND PROFILE

Fund objectives and investment policy

This Fund aims to give a total return primarily through capital growth, in excess of the Bank of England base rate over any period of five consecutive years.

The fund manager aims to minimise volatility by investing in a diverse and global range of investments. In addition, the fund manager can make changes to the fund asset allocation within certain limits.

The Fund will have exposure to equities (including UK, overseas and emerging markets equities), bonds, (including UK government bonds, other UK and overseas fixed interest securities and high yield bonds), property and cash. The fund may also have exposure to commodities, private equity and other asset classes. The Fund may achieve exposure to these assets by investing either directly or indirectly, for example through other funds such as collective investment schemes.

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 investment in this Fund for the medium to long term (at least five to ten years).

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

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

- To help reduce risk;
- To help reduce cost;
- To help generate extra capital or income for the Fund with a risk level consistent with the risk profile of the Fund;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



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

INVESTMENT MANAGER'S REVIEW

The portfolio is diversified across a number of asset classes and has holdings in UK equities, international equities, bonds, real estate and certain alternative investments. Over the last six months the Fund produced a very encouraging gain of 6.25 %.

Looking first at the Fund's corporate bond holdings, this was one of the best performing asset classes throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors' appetite for risk led to high demand for high yield bonds and resulted in the particularly strong performance in the Fund's holdings in this part of the market.

Moving on to the Fund's equity holdings, global equities have produced an encouraging performance. This has been influenced by the US economy, which has shown sporadic signs of growth. Meanwhile, investors also took cheer from the Federal Reserve's recent decision to introduce more monetary easing. This is similar in nature to the "quantitative easing" measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will keep borrowing costs low, which will boost the economy in general and particularly help the jobs market, which has been flagging.

Elsewhere the eurozone's sovereign debt crisis has continued to dominate sentiment and has influenced the direction of share prices both on the continent and in the UK. Markets took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities.

# Diversified Portfolio Fund (continued) for the period ended 30 November 2012

Meanwhile, the Fund's investments in the commercial property market delivered a modest but positive return. A growing proportion of these returns were driven by rental income, however, rather than capital growth. We are seeing capital values declining in many sectors of the market, with only the London office market continuing to show real growth.

Within the portfolio, we reduced the Fund's equity exposure slightly during August, as we took the view that following the stock market rally, prices had become fully valued given the risks that remained. The proceeds were held in cash until November, when we decided to re-invest in the stock market via international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but we are confident the diversified nature of the portfolio will enable investors to exploit further opportunities throughout financial markets in the coming year.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.87	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Equity Funds	30.94	28.59
Other Funds	30.82	21.48
Bond Funds	23.87	36.20
Property Funds	11.62	12.08
Derivatives	0.27	(1.05)
Net other assets	2.48	2.70
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
A Accumulation	135.90	127.87	6.28

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

## Performance record

	01/06/12	01/06/11	01/06/10	01/06/09	17/11/08
	to	to	to	to	to
	30/11/12	31/05/12	31/05/11	31/05/10	31/05/09
	%	%	%	%	%

### Diversified Portfolio

Fund A Accumulation	6.25	(4.77)	10.81	16.43	4.10
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Source: Lipper for Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses. Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

## Major holdings

	30/11/12		31/05/12
	%		%
1. SWIP Sterling Liquidity Fund ‡	14.74	SWIP Gilt Plus Fund C Acc ‡	16.04
2. SWIP UK Opportunities Fund A Inc ‡	12.31	SWIP Sterling Liquidity Fund ‡	12.09
3. SWIP Sterling Investment Cash Fund X Acc ‡	8.80	SWIP UK Opportunities Fund A Inc ‡	10.95
4. SWIP Sterling Credit Advantage Fund A Inc‡	8.49	SWIP Sterling Credit Advantage Fund A Inc ‡	8.65
5. SWIP Corporate Bond Plus Fund X Acc ‡	6.38	SWIP Corporate Bond Plus Fund X Acc ‡	7.50
6. SWIP Gilt Plus Fund C Acc ‡	5.84		
7. SWIP Emerging Markets Fund A Inc ‡	5.08		

Number of holdings: 41

Number of holdings: 32

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.



FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure mainly to equities (including UK, overseas and emerging markets equities). The Fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property, commodities and other asset classes. Exposure will be to both UK and overseas markets.

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.

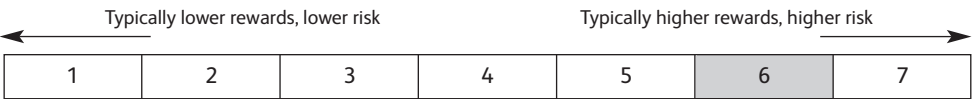
The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- 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;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



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

INVESTMENT MANAGER'S REVIEW

The portfolio is predominantly invested in equities, although there are some smaller holdings in commercial property, commodities and corporate bonds. Equities outperformed most of the other main asset classes, with the result that the Fund rose by 9.27 % over the twelve months under review.

The eurozone's sovereign debt crisis has continued to dominate sentiment, dictating the ebb and flow of equity markets. Share prices across the world took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities. As a result, most major stock markets (with the exception of Japan) have produced positive returns over the last six months.

The influence of the US economy on global markets has also been a generally positive one. US stocks have been bolstered by signs of growth and the Federal Reserve's recent decision to introduce more monetary easing. This is similar in nature to the "quantitative easing" measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will help to boost the jobs market, which has been flagging, as well as the wider economy.

The past six months represented a rewarding time for corporate bond investors. The start of 2012 brought a strong rally, driven by a perception that corporate bond prices were overly depressed. Of the other smaller asset classes in which the Fund invests, commodities have on the whole struggled to produce gains during the last six months. Meanwhile, the Fund's investments in the commercial property market delivered a modest but positive return.

Within the portfolio, we reduced exposure to commercial property, commodities and cash during November and invested the proceeds in international equities. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

# Dynamic Solution (continued)

for the period ended 30 November 2012

Looking ahead, there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. Several uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, more volatility is likely, but we are confident the portfolio is positioned to participate in any further gains during the coming year.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.83	n/a
G Accumulation	1.33	n/a
X Accumulation	0.18	n/a

Share class G Accumulation was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Equity Funds	73.27	72.15
Bond Funds	13.76	16.17
Property Funds	7.94	8.03
Other Funds	4.25	3.64
Derivatives	0.04	(0.28)
Net other assets	0.74	0.29
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
A Accumulation	130.75	119.67	9.26
G Accumulation	101.46	-	-
X Accumulation	143.61	130.57	9.99

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	01/06/09 to 31/05/10 %	01/06/08 to 31/05/09 %	01/06/07 to 31/05/08 %
Dynamic Solution A Accumulation	9.27	(5.52)	16.24	23.22	(22.40)	(7.24)

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

## Major holdings

	30/11/12 %		31/05/12 %
1. SWIP Multi-Manager International Equity Fund A Acc ‡	21.07	SWIP Multi-Manager International Equity Fund A Acc ‡	20.28
2. SWIP High Yield Bond Fund A Inc ‡	13.76	SWIP High Yield Bond Fund A Inc ‡	13.74
3. SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	12.05	SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	11.95
4. SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	12.02	SWIP Multi-Manager UK Equity Income Fund A Acc ‡	11.92
5. SWIP Multi-Manager UK Equity Income Fund A Acc ‡	12.00	SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	11.92
6. SWIP UK Enhanced Equity Fund A Acc ‡	10.02	SWIP UK Enhanced Equity Fund A Acc ‡	9.95

Number of holdings: 26

Number of holdings: 29

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

‡ Scottish Widows Investment Partnership (SWIP)

**Please note:** negative figures are shown in brackets.

FUND OBJECTIVES AND INVESTMENT POLICY

This Fund aims to give long-term capital growth by investing mainly in funds such as collective investment schemes.

The Fund will provide exposure generally to equities (including UK, overseas and emerging markets equities). The Fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property, commodities and other asset classes. Exposure will be to both UK and overseas markets.

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:

- 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;
- 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

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
1	2	3	4	5	6	7

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

INVESTMENT MANAGER'S REVIEW

The majority of the portfolio is invested in equities, but the Fund also holds positions in bonds, real estate and alternative assets. Equities were among the best performing asset classes over the last six months, which helped the Fund generate a healthy return of 8.43 % over six months to the end of November.

The eurozone's sovereign debt crisis has continued to dominate sentiment, dictating the ebb and flow of equity markets. Share prices across the world took a sharp dip during May because of fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, further affecting stock prices. But in July, European Central Bank president, Mario Draghi pledged to do "whatever it takes" to preserve the euro, fuelling a renewed appetite for riskier investments such as equities. As a result, most major stock markets (with the exception of Japan) have produced positive returns over the last six months.

The influence of the US economy on global markets has also been a generally positive one. US stocks have been bolstered by signs of growth and the Federal Reserve's recent decision to introduce more monetary easing. This is similar in nature to the "quantitative easing" measures that the Bank of England has put in place recently. The central bank hopes that the move to increase the amount of money in circulation will help to boost the jobs market, which has been flagging, as well as the wider economy.

Looking at the Fund's corporate bond holdings, the asset class performed well throughout the six months under review. With yields on government bonds stuck at historic lows, investors have been looking further afield in order to generate income. The improvement in investors' appetite for risk led to high demand for high yield bonds and resulted in the particularly strong performance in the Fund's holdings in this part of the market.

Within the portfolio, we took the decision to increase exposure to the stock market via international equities in November. We did this by reducing holdings in cash and corporate bonds. The rationale behind this decision was that our economic and stock markets indicators both showed signs of improving prospects for equity investors.

# Strategic Solution (continued)

for the period ended 30 November 2012

Looking ahead, the coming year is clearly going to hold many more challenges, but there are some reasons for optimism. In Europe there are signs that politicians and central bankers are starting to get a grip on the problems facing the region. Meanwhile, the US economy is showing further signs of recovery, which could help drive global growth. However, numerous uncertainties remain, including slowing growth in China, the ever-expanding US budget deficit and how best to deal with the problem countries on Europe's periphery such as Greece and Spain. As a result, further volatility is likely, but we are confident the diversified nature of the portfolio will enable investors to exploit further opportunities throughout financial markets in the coming year.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
A Accumulation	1.87	n/a
G Accumulation	1.30	n/a
X Accumulation	0.22	n/a

Share class G Accumulation was launched 12 November 2012.

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Equity Funds	62.14	60.75
Bond Funds	22.42	24.29
Property Funds	10.93	10.99
Other Funds	2.68	3.68
Derivatives	0.05	(0.31)
Net other assets	1.78	0.60
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
A Accumulation	127.39	117.47	8.44
G Accumulation	101.21	-	-
X Accumulation	139.96	128.22	9.16

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

## Performance record

	01/06/12	01/06/11	01/06/10	01/06/09	01/06/08	01/06/07
	to	to	to	to	to	to
	30/11/12	31/05/12	31/05/11	31/05/10	31/05/09	31/05/08
	%	%	%	%	%	%
Strategic Solution						
A Accumulation	8.43	(4.39)	14.11	21.31	(20.80)	(7.51)

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

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

## Major holdings

	30/11/12		31/05/12
	%		%
1. SWIP Multi-Manager International Equity Fund A Acc ‡	16.07	SWIP High Yield Bond Fund A Inc ‡	15.72
2. SWIP High Yield Bond Fund A Inc ‡	15.53	SWIP Multi-Manager International Equity Fund A Acc ‡	15.19
3. SWIP Multi-Manager UK Equity Income Fund A Acc ‡	11.15	SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	11.00
4. SWIP Multi-Manager UK Equity Focus Fund A Acc ‡	10.88	SWIP Multi-Manager UK Equity Income Fund A Acc ‡	10.88
5. SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	10.01	SWIP Multi-Manager UK Equity Growth Fund A Acc ‡	9.80
6. SWIP UK Enhanced Equity Fund A Acc ‡	9.08	SWIP UK Enhanced Equity Fund A Acc ‡	8.91
7. SWIP Property Trust A Acc ‡	7.94	SWIP Property Trust A Acc ‡	7.87

Number of holdings: 28

Number of holdings: 30

Minimum requirement to show the top five holdings of the portfolio, or all those over 5%.

# Capital Protected Funds 1 to 17

for the period ended 30 November 2012

## FUND PROFILE

### Fund Aims

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

### Definitions

**Increase** for Capital Protected Funds 1 to 3 this is the amount (if any) (expressed as a percentage) by which the relevant index has grown over the Growth Potential Period and subject to Averaging.

**Increase** for Capital Protected Funds 4 to 17 this is 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 Averaging.

**Upper Limit** This is a cap on the increase. See the following pages for details of the upper limit for Capital Protected Funds 4 to 17.

**Index** is FTSE 100.

### Capital Protected Funds 1 to 7

**Capital Protected Price** is the minimum Share Price the Fund aims to achieve on the Protection Date in relation to an Investment Cycle.

**Protection Date** is the date on which the Share Price reflects the maturity value of the derivatives during an Investment Cycle.

**Derivative Date** is the date on and from which the Scheme Property is invested in derivatives during an Investment Cycle.

Cash Investment Period is the period during which Shares may be issued in relation to an Investment Cycle.

**Growth Potential Period** is the period during which the Scheme Property is invested in derivatives in relation to an Investment Cycle.

**Investment Cycle** is the period between the start of a Cash Investment Period and the relevant Protection Date.

### Capital Protected Funds 8 to 17

**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.

### 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.
- Terms for a 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 a 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.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term or when you sell your shares.
- Inflation will reduce the real value of your money in the future.

#### Risks that apply specifically during the Cash Investment Period

- During this period a Capital Protected Fund invests in cash and other similar investments by investing in another fund called the Global Liquidity Fund as well as on deposit in cash and other similar investments. The Global Liquidity Fund is managed by our Investment Adviser Scottish Widows Investment Partnership 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 a Fund is invested in cash and 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 a 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 a Fund will hold investments known as Derivatives. These Derivatives are arranged with a single counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian (the independent custodian for Capital Protected Funds 1 to 17 is State Street Bank & Trust Company). Should the counterparty fail, we will use this collateral.

# Capital Protected Funds 1 to 17 (continued)

- If the Derivative provider (the counterparty) fails and this coincides with a 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:

- for Capital Protected Funds 4 to 17 we set a cap on any amount payable in addition to your Capital Protected Value, this could mean you receive less growth. Please see the Key Features document for information; see also the Upper Limit definition for Capital Protected Funds 4 to 17 on the following pages.
- if you held shares directly you would be paid an income (dividends); and
- for Capital Protected Fund 5 the cost of providing you with capital protection meant that the Participation Rate offers less than the full rise in the index;
- 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.

## INVESTMENT MANAGER'S REVIEW (Capital Protected Funds 2 & 4 to 17)

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 if you hold your investment to the Protection Date.

At the end of the reporting period, the FTSE 100 Index stood at 5866.82. Over the six-month review period, returns from the UK stock market were driven by a series of policy announcements by central banks. It remains to be seen whether additional quantitative easing (QE) by the Bank of England and US Federal Reserve – and the support offered by the European Central Bank's "outright monetary transactions" (OMTs) – will prove effective in reviving "real" economies. But with central banks continuing to hold down yields on government bonds, investors bought equities (and corporate bonds) in a quest for better returns.

That renewed appetite for risk was reflected in trends on a sector level. Banks, one of the more volatile areas of the UK stock market, did well over the reporting period. As asset prices rose, shares in life insurers also surged higher; life companies are major investors in asset markets, making them major beneficiaries of quantitative easing (QE). On the other side of the ledger, the oil and gas sector underperformed, weighed down in part by a disappointing performance from BG Group.

Looking forward, there are a number of issues with which investors must contend. At the time of writing, confidence is being undermined by worries about the potential "fiscal cliff" in the US. Meanwhile, progress towards solving the eurozone's problems remains slow. Against that, however, we can set supportive monetary policy and the reasonable valuations attached to equities. The global trend is still towards lower interest rates (where possible) and an extension of QE and other non-traditional measures. This should continue to underpin the UK market.

## INVESTMENT MANAGER'S REVIEW (Capital Protected Funds 1 & 3)

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 if you hold your investment to the Protection Date.

From the start of reporting period until 16 October, UK stock market indices were driven higher by a series of policy announcements by central banks. It remains to be seen whether additional quantitative easing by the Bank of England and US Federal Reserve – and the support offered by the European Central Bank's "outright monetary transactions" (OMTs) – will prove effective in reviving "real" economies. But with central banks continuing to hold down yields on government bonds, investors bought equities in a quest for better returns. This renewed appetite for risk was reflected in trends on a sector level. Banks, one of the more volatile areas of the UK stock market, did well. As asset prices rose, shares in life insurers also surged higher; life companies are major investors in asset markets, making them major beneficiaries of quantitative easing. On the other side of the ledger, the oil and gas sector underperformed.

By 16 October, the FTSE 100 index stood at 5870.54. On this date, the Fund disinvested from FTSE100-linked derivatives and its assets were subsequently held on deposit in cash or in near-cash assets.

# Capital Protected Fund 1

for the period ended 30 November 2012

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.39	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Financials	105.57	-
Derivatives	-	100.00
Net other liabilities	(5.57)	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
L Accumulation	106.90	105.76	1.08

The Protection Date for the L share class is 24 October 2012.  
The Capital Protected Price is 106.70p.  
The FTSE 100 Index starting value is 6,524.10.

## Performance record

	17/10/12 to 30/11/12	01/06/12 to 16/10/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	01/06/08 to 31/05/09	01/06/07 to 31/05/08
	%	%	%	%	%	%	%

### Capital Protected 1

L Accumulation	0.28	0.85	2.03	2.68	8.29	(5.21)	0.07
FTSE 100 Index	N/A	11.83	(7.70)	19.12	21.85	(23.67)	(5.10)

### SWIP Global

#### Liquidity Fund

GBP Advisory ‡	0.06	N/A	N/A	N/A	N/A	N/A	N/A
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Source: Scottish Widows for Capital Protected Fund 1 L Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. SWIP Sterling Liquidity Fund ‡	35.21	Lloyds TSB Bank plc 120% Put Option October 2012	180.16
2. ILF GBP Liquidity Fund	35.21	Lloyds TSB Bank plc 100% Call Option October 2012	0.01
3. BlackRock Institutional Sterling Liquidity Fund	35.15	Lloyds TSB Bank plc 120% Call Option October 2012	-
4.		Lloyds TSB Bank plc 100% Put Option October 2012	(80.17)

Number of holdings: 3

Number of holdings: 4

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

# Capital Protected Fund 2

for the period ended 30 November 2012

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.50	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.01	100.03
Net other liabilities	(0.01)	(0.03)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
L Accumulation	106.09	104.95	1.09

The Protection Date for the L share class is 23 January 2013.  
The Capital Protected Price is 106.40p.  
The FTSE 100 Index starting value is 6,393.90.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	01/06/08 to 31/05/09	08/08/07 to 31/05/08	01/06/07 to 08/08/07
	%	%	%	%	%	%	%
Capital Protected 2							
L Accumulation	1.14	0.58	3.57	8.82	(6.86)	(1.62)	0.50
FTSE 100 Index	12.38	(7.70)	19.12	21.85	(23.67)	(4.05)	N/A
SWIP Global							
Liquidity Fund							
GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	N/A	0.48

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

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 120 % Put Option January 2013	150.31	Lloyds TSB Bank plc 120 % Put Option January 2013	175.06
2. Lloyds TSB Bank plc 100 % Call Option January 2013	-	Lloyds TSB Bank plc 100 % Call Option January 2013	0.01
3. Lloyds TSB Bank plc 120 % Call Option January 2013	-	Lloyds TSB Bank plc 120 % Call Option January 2013	-
4. Lloyds TSB Bank plc 100 % Put Option January 2013	(50.30)	Lloyds TSB Bank plc 100 % Put Option January 2013	(75.04)

Number of holdings: 4

Number of holdings: 4

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.



# Capital Protected Fund 3

for the period ended 30 November 2012

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.57	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Financials	106.61	-
Derivatives	-	100.03
Net other liabilities	(6.61)	(0.03)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
L Accumulation	106.61	106.49	0.11

The Protection Date for the L share class is 24 October 2012.

The Capital Protected Price is 106.50p.

The FTSE 100 Index starting value is 6,385.10.

## Holdings

	30/11/12 %		31/05/12 %
1. SWIP Sterling Liquidity Fund ‡	35.55	Lloyds TSB Bank plc 120% Put Option October 2012	164.26
2. ILF GBP Liquidity Fund	35.55	Lloyds TSB Bank plc 100% Call Option October 2012	4.52
3. BlackRock Institutional Sterling Liquidity Fund	35.51	Lloyds TSB Bank plc 120% Call Option October 2012	-
4.		Lloyds TSB Bank plc 100% Put Option October 2012	(68.75)

Number of holdings: 3

Number of holdings: 4

## Performance record

	17/10/12 to 30/11/12 %	01/06/12 to 16/10/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	01/06/09 to 31/05/10 %	01/06/08 to 31/05/09 %	07/11/07 to 31/05/08 %	25/07/07 to 06/11/07 %
Capital Protected 3 L Accumulation	0.09	0.00	1.82	2.95	7.64	(6.64)	0.00	1.10
FTSE 100 Index	N/A	11.83	(7.70)	19.12	21.85	(23.67)	(4.24)	N/A
SWIP Global Liquidity Fund GBP Advisory ‡	0.06	N/A	N/A	N/A	N/A	N/A	N/A	1.98

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

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

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

‡ Scottish Widows Investment Partnership (SWIP)

Please note: negative figures are shown in brackets.

# Capital Protected Fund 4

for the period ended 30 November 2012

## Upper Limit is 65%:

This is a cap on the Increase so if the Increase is greater than 65% Shareholders will only get 100% (i.e. the Participation Rate) of 65%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.51	n/a

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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

	30/11/12	31/05/12
	%	%
Investments	100.03	100.01
Derivatives	(0.03)	(0.01)
Net other liabilities	100.00	100.00

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
L Accumulation	106.26	105.12	1.08

The Protection Date for the L share class is 23 January 2013.

The Capital Protected Price is 106.70p.

The FTSE 100 Index starting value is 5,875.40.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	01/06/08 to 31/05/09	06/02/08 to 31/05/08	17/10/07 to 06/02/08
	%	%	%	%	%	%	%
Capital Protected 4							
L Accumulation	1.05	(2.69)	4.96	10.27	(7.14)	(0.79)	1.30
FTSE 100 Index	12.38	(7.70)	19.12	21.85	(23.67)	(5.21)	N/A
SWIP Global							
Liquidity Fund							
GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	N/A	1.95

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

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

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

## Holdings

	30/11/12 %	31/05/12 %
1. Lloyds TSB Bank plc 120% Put Option January 2013	110.41	Lloyds TSB Bank plc 120% Put Option January 2013
2. Lloyds TSB Bank plc 100% Call Option January 2013	-	Lloyds TSB Bank plc 100% Call Option January 2013
3. Lloyds TSB Bank plc 165% Call Option January 2013	-	Lloyds TSB Bank plc 120% Call Option January 2013
4. Lloyds TSB Bank plc 120% Call Option January 2013	-	Lloyds TSB Bank plc 165% Call Option January 2013
5. Lloyds TSB Bank plc 100% Put Option January 2013	(10.38)	Lloyds TSB Bank plc 100% Put Option January 2013

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 5

for the period ended 30 November 2012

## Upper Limit is 83.34 %:

This is a cap on the Increase so if the Increase is greater than or equal to 83.34 % Shareholders will only get an increase of 90% (i.e. the Participation Rate) x 83.34 % = 75 %.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.34	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.01	100.02
Net other liabilities	(0.01)	(0.02)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
L Accumulation	106.06	104.58	1.42

The Protection Date for the L share class is 4 April 2013.

The Capital Protected Price is 106.60p.

The FTSE 100 Index starting value is 6,046.20.

## Performance record

	01/06/12	01/06/11	01/06/10	01/06/09	01/06/08	16/04/08	17/12/07
	to	to	to	to	to	to	to
	30/11/12	31/05/12	31/05/11	31/05/10	31/05/09	31/05/08	16/04/08
	%	%	%	%	%	%	%
<b>Capital Protected 5</b>							
L Accumulation	1.43	(1.13)	4.44	9.94	(6.42)	2.71	1.20
FTSE 100 Index	12.38	(7.70)	19.12	21.85	(23.67)	3.11	N/A
<b>SWIP Global</b>							
<b>Liquidity Fund</b>							
GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	N/A	0.94

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

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 120 % Put Option April 2013	124.52	Lloyds TSB Bank plc 120 % Put Option April 2013	161.16
2. Lloyds TSB Bank plc 100 % Call Option April 2013	0.01	Lloyds TSB Bank plc 100 % Call Option April 2013	0.98
3. Lloyds TSB Bank plc 120 % Call Option April 2013	-	Lloyds TSB Bank plc 120 % Call Option April 2013	(0.02)
4. Lloyds TSB Bank plc 183 % Call Option April 2013	-	Lloyds TSB Bank plc 183 % Call Option April 2013	(0.15)
5. Lloyds TSB Bank plc 100 % Put Option April 2013	(24.52)	Lloyds TSB Bank plc 100 % Put Option April 2013	(61.95)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 6

for the period ended 30 November 2012

## Upper Limit is 75 %:

This is a cap on the Increase so if the Increase is greater than 75% Shareholders will only get 100% (i.e. the Participation Rate) of 75%.

## Ongoing charges figure

	31/05/12	31/05/12
	%	%
L Accumulation	0.43	n/a

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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

	30/11/12	31/05/12
	%	%
Investments	100.00	100.02
Derivatives	100.00	100.02
Net other liabilities	-	(0.02)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
L Accumulation	108.76	103.46	5.12

The Protection Date for the L share class is 5 June 2014.

The Capital Protected Price is 106.60p.

The FTSE 100 Index starting value is 5,756.90.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	18/06/08 to 31/05/09	01/06/08 to 18/06/08	19/02/08 to 31/05/08
	%	%	%	%	%	%	%
<b>Capital Protected 6</b>							
L Accumulation	4.45	(2.46)	7.40	8.97	(3.20)	0.20	1.20
FTSE 100 Index	12.38	(7.70)	19.12	21.85	(23.56)	N/A	N/A
<b>SWIP Global</b>							
<b>Liquidity Fund</b>							
GBP Advisory #	N/A	N/A	N/A	N/A	N/A	0.25	4.12

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

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

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

## Holdings

	30/11/12 %	31/05/12 %
1. Lloyds TSB Bank plc 120 % Put Option January 2014	101.42	155.56
2. Lloyds TSB Bank plc 100 % Call Option January 2014	33.56	24.15
3. Lloyds TSB Bank plc 175 % Call Option January 2014	(1.81)	(0.19)
4. Lloyds TSB Bank plc 120 % Call Option January 2014	(2.21)	(2.68)
5. Lloyds TSB Bank plc 100 % Put Option January 2014	(30.96)	(76.82)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 7

for the period ended 30 November 2012

## Upper Limit is 75 %:

This is a cap on the Increase so if the Increase is greater than 75 % Shareholders will only get 100 % (i.e. the Participation Rate) of 75 %.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
L Accumulation	0.57	n/a

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

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.03	100.01
Net other liabilities	(0.03)	(0.01)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
L Accumulation	123.74	114.08	8.47

The Protection Date for the L share class is 4 September 2014. The Capital Protected Price is 106.60p. The FTSE 100 Index starting value is 4,880.00.

## Performance record

	01/06/12	01/06/11	01/06/10	01/06/09	18/09/08	01/06/08	21/05/08
	to	to	to	to	to	to	to
	30/11/12	31/05/12	31/05/11	31/05/10	31/05/09	18/09/08	31/05/08
	%	%	%	%	%	%	%
<b>Capital Protected 7</b>							
L Accumulation	8.06	(4.52)	10.55	12.85	(4.21)	1.10	0.00
FTSE 100 Index	12.38	(7.70)	19.12	21.85	(7.10)	N/A	N/A
<b>SWIP Global Liquidity Fund</b>							
GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	1.40	0.46

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

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 100 % Call Option September 2014	101.96	Lloyds TSB Bank plc 120 % Put Option September 2014	88.92
2. Lloyds TSB Bank plc 120 % Put Option September 2014	42.43	Lloyds TSB Bank plc 100 % Call Option September 2014	79.78
3. Lloyds TSB Bank plc 175 % Call Option September 2014	(1.48)	Lloyds TSB Bank plc 175 % Call Option September 2014	(0.01)
4. Lloyds TSB Bank plc 100 % Put Option September 2014	(14.30)	Lloyds TSB Bank plc 120 % Call Option September 2014	(21.82)
5. Lloyds TSB Bank plc 120 % Call Option September 2014	(28.58)	Lloyds TSB Bank plc 100 % Put Option September 2014	(46.86)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 8

for the period ended 30 November 2012

## Upper Limit is 90%:

This is a cap on the Increase such that if the Increase is greater than 90% Shareholders will only get 100% (i.e. the Participation Rate) of 90%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
M Accumulation	137.75	125.90	9.41

The Protection Date for the M share class is 4 December 2014.

The Capital Protected Price is 109.60p.

The FTSE 100 Index starting value is 4,330.70.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	18/12/08 to 31/05/09	08/09/08 to 18/12/08
	%	%	%	%	%	%
<b>Capital Protected 8</b>						
M Accumulation	9.37	(4.04)	13.79	14.05	0.30	0.80
FTSE 100 Index	12.38	(7.70)	19.12	21.85	4.36	N/A
SWIP Global Liquidity Fund GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	1.21

Source: Scottish Widows for Capital Protected Fund 8 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 100% Call Option December 2014	154.59	Lloyds TSB Bank plc 100% Call Option December 2014	128.29
2. Lloyds TSB Bank plc 120% Put Option December 2014	25.99	Lloyds TSB Bank plc 120% Put Option December 2014	61.73
3. Lloyds TSB Bank plc 190% Call Option December 2014	(2.40)	Lloyds TSB Bank plc 190% Call Option December 2014	(0.29)
4. Lloyds TSB Bank plc 100% Put Option December 2014	(10.15)	Lloyds TSB Bank plc 100% Put Option December 2014	(36.13)
5. Lloyds TSB Bank plc 120% Call Option December 2014	(68.03)	Lloyds TSB Bank plc 120% Call Option December 2014	(53.60)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 9

for the period ended 30 November 2012

## Upper Limit is 65%:

This is a cap on the Increase such that if the Increase is greater than 65% Shareholders will only get 100% (i.e. the Participation Rate) of 65%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
M Accumulation	145.18	129.72	11.92

The Protection Date for the M share class is 4 February 2015. The Capital Protected Price is 108.40p.

The FTSE 100 Index starting value is 4,006.80.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	01/06/09 to 31/05/10	18/02/09 to 31/05/09	20/11/08 to 18/02/09
	%	%	%	%	%	%
Capital Protected 9						
M Accumulation	11.49	(0.31)	14.22	14.61	(0.92)	0.30
FTSE 100 Index	12.38	(7.70)	19.12	21.85	11.92	N/A
SWIP Global						
Liquidity Fund						
GBP Advisory ‡	N/A	N/A	N/A	N/A	N/A	0.66

Source: Scottish Widows for Capital Protected Fund 9 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 100% Call Option February 2015	187.18	Lloyds TSB Bank plc 100% Call Option February 2015	162.91
2. Lloyds TSB Bank plc 120% Put Option February 2015	20.04	Lloyds TSB Bank plc 120% Put Option February 2015	50.88
3. Lloyds TSB Bank plc 165% Call Option February 2015	(3.11)	Lloyds TSB Bank plc 165% Call Option February 2015	(2.40)
4. Lloyds TSB Bank plc 100% Put Option February 2015	(8.34)	Lloyds TSB Bank plc 100% Put Option February 2015	(31.54)
5. Lloyds TSB Bank plc 120% Call Option February 2015	(95.77)	Lloyds TSB Bank plc 120% Call Option February 2015	(79.85)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 10

for the period ended 30 November 2012

## Upper Limit is 33.334%:

This is a cap on the Increase such that if the Increase is greater than 33.334% Shareholders will only get an increase of 150% (i.e. the Participation Rate) x 33.334% = 50%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
M Accumulation	136.96	122.91	11.43

The Protected Date for the M share class is 11 June 2015.

The Capital Protected Price is 108.70p.

The FTSE 100 Index starting value is 4,252.60.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	25/06/09 to 31/05/10	01/06/09 to 25/06/09	28/01/09 to 31/05/09
	%	%	%	%	%	%
Capital Protected 10						
M Accumulation	11.75	1.07	12.84	7.18	0.10	0.20
FTSE 100 Index	12.38	(7.70)	19.12	25.26	N/A	N/A
SWIP Global						
Liquidity Fund						
GBP Advisory £	N/A	N/A	N/A	N/A	0.06	0.34

Source: Scottish Widows for Capital Protected Fund 10 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 100% Call Option June 2015	177.03	Lloyds TSB Bank plc 100% Call Option June 2015	154.48
2. Lloyds TSB Bank plc 120% Put Option June 2015	33.85	Lloyds TSB Bank plc 120% Put Option June 2015	69.72
3. Lloyds TSB Bank plc 133.334% Call Option June 2015	(15.21)	Lloyds TSB Bank plc 133.334% Call Option June 2015	(13.50)
4. Lloyds TSB Bank plc 100% Put Option June 2015	(16.22)	Lloyds TSB Bank plc 100% Put Option June 2015	(44.24)
5. Lloyds TSB Bank plc 120% Call Option June 2015	(79.45)	Lloyds TSB Bank plc 120% Call Option June 2015	(66.46)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.



# Capital Protected Fund 11

for the period ended 30 November 2012

## Upper Limit is 33.334%:

This is a cap on the Increase such that if the Increase is greater than 33.334% Shareholders will only get an increase of 150% (i.e. the Participation Rate) x 33.334% = 50%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12	31/05/12	
	(p)	(p)	%
M Accumulation	121.45	111.10	9.32

The Protection Date for the M share class is 3 September 2015.  
The Capital Protected Price is 109.10p.  
The FTSE 100 Index starting value is 5,163.95.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	17/09/09 to 31/05/10	01/06/09 to 17/09/09	27/03/09 to 31/05/09
	%	%	%	%	%	%
<b>Capital Protected 11</b>						
M Accumulation	9.86	(1.25)	12.68	(0.90)	0.20	0.10
FTSE 100 Index	12.38	(7.70)	19.12	3.75	N/A	N/A
<b>SWIP Global</b>						
Liquidity Fund						
GBP Advisory ‡	N/A	N/A	N/A	N/A	0.25	0.12

Source: Scottish Widows for Capital Protected Fund 11 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 100% Call Option September 2015	94.31	Lloyds TSB Bank plc 120% Put Option September 2015	128.53
2. Lloyds TSB Bank plc 120% Put Option September 2015	84.85	Lloyds TSB Bank plc 100% Call Option September 2015	78.59
3. Lloyds TSB Bank plc 133.334% Call Option September 2015	(6.00)	Lloyds TSB Bank plc 133.334% Call Option September 2015	(3.72)
4. Lloyds TSB Bank plc 120% Call Option September 2015	(31.37)	Lloyds TSB Bank plc 120% Call Option September 2015	(24.66)
5. Lloyds TSB Bank plc 100% Put Option September 2015	(41.79)	Lloyds TSB Bank plc 100% Put Option September 2015	(78.74)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets

# Capital Protected Fund 12

for the period ended 30 November 2012

## Upper Limit is 43.334 %:

This is a cap on the Increase such that if the Increase is greater than 43.334 % Shareholders will only get an increase of 150 % (i.e. the Participation Rate) x 43.334 % = 65 %.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	99.99	99.99
Net other assets	0.01	0.01
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
M Accumulation	120.11	111.26	7.95

The Protected Date for the M share class is 5 October 2015.

The Capital Protected Price is 108.50p.

The FTSE 100 Index starting value is 5,281.54.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	19/10/09 to 31/05/10 %	24/07/09 to 19/10/09 %
Capital Protected 12					
M Accumulation	9.68	(3.44)	10.42	2.60	0.10
FTSE 100 Index	12.38	(7.70)	19.12	2.33	N/A
SWIP Global Liquidity					
Fund GBP Advisory ‡	N/A	N/A	N/A	N/A	0.19

Source: Scottish Widows for Capital Protected Fund 12 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 120% Put Option October 2015	92.69	Lloyds TSB Bank plc 120% Put Option October 2015	135.55
2. Lloyds TSB Bank plc 100% Call Option October 2015	86.05	Lloyds TSB Bank plc 100% Call Option October 2015	70.96
3. Lloyds TSB Bank plc 143% Call Option October 2015	(3.51)	Lloyds TSB Bank plc 143% Call Option October 2015	(1.01)
4. Lloyds TSB Bank plc 120% Call Option October 2015	(28.28)	Lloyds TSB Bank plc 120% Call Option October 2015	(21.84)
5. Lloyds TSB Bank plc 100% Put Option October 2015	(46.96)	Lloyds TSB Bank plc 100% Put Option October 2015	(83.67)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 13

for the period ended 30 November 2012

## Upper Limit is 33.334%:

This is a cap on the Increase such that if the Increase is greater than 33.334% Shareholders will only get an increase of 150% (i.e. the Participation Rate) x 33.334% = 50%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

	30/11/12	31/05/12
	%	%
Investments	100.00	100.00
Derivatives	-	-
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/11 (p)	NAV percentage change %
M Accumulation	117.36	107.38	9.29

The Protected Date for the M share class is 19 January 2016.

The Capital Protected Price is 108.10p.

The FTSE 100 Index starting value is 5,253.15.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	01/06/10 to 31/05/11 %	03/02/10 to 31/05/10 %	05/10/09 to 03/02/10 %
Capital Protected 13					
M Accumulation	9.98	(0.37)	13.06	(4.93)	0.10
FTSE 100 Index	12.38	(7.70)	19.12	(0.17)	N/A
SWIP Global Liquidity					
Fund GBP Advisory ‡	N/A	N/A	N/A	N/A	0.19

Source: Scottish Widows for Capital Protected Fund 13 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 120% Put Option January 2016	101.05	Lloyds TSB Bank plc 120% Put Option January 2016	143.37
2. Lloyds TSB Bank plc 100% Call Option January 2016	92.48	Lloyds TSB Bank plc 100% Call Option January 2016	79.31
3. Lloyds TSB Bank plc 133.334% Call Option January 2016	(7.71)	Lloyds TSB Bank plc 133.334% Call Option January 2016	(4.62)
4. Lloyds TSB Bank plc 120% Call Option January 2016	(33.21)	Lloyds TSB Bank plc 120% Call Option January 2016	(26.78)
5. Lloyds TSB Bank plc 100% Put Option January 2016	(52.61)	Lloyds TSB Bank plc 100% Put Option January 2016	(91.28)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 14

for the period ended 30 November 2012

## Upper Limit is 30%:

This is a cap on the Increase such that if the Increase is greater than 30% Shareholders will only get an increase of 150% (i.e. the Participation Rate) x 30% = 45%.

## Ongoing charges figure

	30/11/12	31/05/12
	%	%
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12	31/05/12
	%	%
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/11/12 (p)	31/05/12 (p)	%
M Accumulation	117.02	105.91	10.49

The Protected Date for the M share class is 11 February 2016.

The Capital Protected Price is 108.60p.

The FTSE 100 Index starting value is 5,354.52.

## Performance record

	01/06/12 to 30/11/12	01/06/11 to 31/05/12	01/06/10 to 31/05/11	26/02/10 to 31/05/10	14/12/09 to 26/02/10
	%	%	%	%	%
Capital Protected 14					
M Accumulation	9.92	1.05	11.22	(5.77)	0.00
FTSE 100 Index	12.38	(7.70)	19.12	(2.04)	N/A
SWIP Global Liquidity					
Fund GBP Advisory ‡	N/A	N/A	N/A	N/A	0.10

Source: Scottish Widows for Capital Protected Fund 14 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12		31/05/12
	%		%
1. Lloyds TSB Bank plc 120% Put Option February 2016	108.58	Lloyds TSB Bank plc 120% Put Option February 2016	152.67
2. Lloyds TSB Bank plc 100% Call Option February 2016	86.04	Lloyds TSB Bank plc 100% Call Option February 2016	74.67
3. Lloyds TSB Bank plc 130% Call Option February 2016	(6.75)	Lloyds TSB Bank plc 130% Call Option February 2016	(4.90)
4. Lloyds TSB Bank plc 120% Call Option February 2016	(30.58)	Lloyds TSB Bank plc 120% Call Option February 2016	(24.79)
5. Lloyds TSB Bank plc 100% Put Option February 2016	(57.29)	Lloyds TSB Bank plc 100% Put Option February 2016	(97.65)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 15

for the period ended 30 November 2012

## Upper Limit is 28%:

This is a cap on the Increase such that if the Increase is greater than 28% Shareholders will only get an increase of 150% (i.e. the Participation Rate)  $\times 28\% = 42\%$ .

## Ongoing charges figure

	30/11/12 %	31/05/12 %
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

	30/11/12 %	31/05/12 %
Investments		
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
M Accumulation	119.28	106.06	12.46

The Protected Date for the M share class is 24 May 2016.

The Capital Protected Price is 108.40p.

The FTSE 100 Index starting value is 5,085.86.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	09/06/10 to 31/05/11 %	01/06/10 to 09/06/10 %	12/02/10 to 31/05/10 %
Capital Protected 15					
M Accumulation	12.16	1.92	4.00	0.00	0.10
FTSE 100 Index	12.38	(7.70)	21.16	N/A	N/A
SWIP Global Liquidity					
Fund GBP Advisory ‡	N/A	N/A	N/A	0.01	0.13

Source: Scottish Widows for Capital Protected Fund 15 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 100% Call Option May 2016	107.00	Lloyds TSB Bank plc 120% Put Option May 2016	142.26
2. Lloyds TSB Bank plc 120% Put Option May 2016	98.38	Lloyds TSB Bank plc 100% Call Option May 2016	97.37
3. Lloyds TSB Bank plc 128% Call Option May 2016	(9.19)	Lloyds TSB Bank plc 128% Call Option May 2016	(8.71)
4. Lloyds TSB Bank plc 120% Call Option May 2016	(43.06)	Lloyds TSB Bank plc 120% Call Option May 2016	(37.18)
5. Lloyds TSB Bank plc 100% Put Option May 2016	(53.13)	Lloyds TSB Bank plc 100% Put Option May 2016	(93.74)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets

# Capital Protected Fund 16

for the period ended 30 November 2012

## Upper Limit is 28%:

This is a cap on the Increase such that if the Increase is greater than 28% Shareholders will only get 150% (i.e. the Participation Rate) x 28% = 42%.

## Ongoing charges figure

	30/11/12 %	31/05/12 %
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

Investments	30/11/12 %	31/05/12 %
Derivatives	100.00	100.00
Net other assets	-	-
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
M Accumulation	111.84	100.35	11.45

The Protected Date for the M share class is 13 September 2016.

The Capital Protected Price is 108.40p.

The FTSE 100 Index starting value is 5,569.27.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	29/09/10 to 31/05/11 %	01/06/10 to 29/09/10 %	21/05/10 to 31/05/10 %
Capital Protected 16					
M Accumulation	11.96	0.83	(1.06)	0.10	0.00
FTSE 100 Index	12.38	(7.70)	9.83	N/A	N/A
SWIP Global Liquidity					
Fund GBP Advisory ‡	N/A	N/A	N/A	0.18	0.01

Source: Scottish Widows for Capital Protected Fund 16 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 120% Put Option September 2016	137.00	Lloyds TSB Bank plc 120% Put Option September 2016	180.39
2. Lloyds TSB Bank plc 100% Call Option September 2016	80.42	Lloyds TSB Bank plc 100% Call Option September 2016	72.39
3. Lloyds TSB Bank plc 128% Call Option September 2016	(8.06)	Lloyds TSB Bank plc 128% Call Option September 2016	(5.85)
4. Lloyds TSB Bank plc 120% Call Option September 2016	(31.47)	Lloyds TSB Bank plc 120% Call Option September 2016	(25.62)
5. Lloyds TSB Bank plc 100% Put Option September 2016	(77.89)	Lloyds TSB Bank plc 100% Put Option September 2016	(121.31)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.

# Capital Protected Fund 17

for the period ended 30 November 2012

## Upper Limit is 21.334%:

This is a cap on the Increase such that if the Increase is greater than 21.334% Shareholders will only get 150% (i.e. the Participation Rate) x 21.334% = 32%.

## Ongoing charges figure

	30/11/12 %	31/05/12 %
M Accumulation	-	-

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

The ongoing charges figure is the total expenses paid by each share class in the period, annualised, 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.

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

## Details of investments

	30/11/12 %	31/05/12 %
Investments		
Derivatives	100.01	100.01
Net other liabilities	(0.01)	(0.01)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

## Net asset value

	NAV per share 30/11/12 (p)	NAV per share 31/05/12 (p)	NAV percentage change %
M Accumulation	104.23	91.70	13.66

The Protected Date for the M share class is 21 February 2017.

The Capital Protected Price is 108.10p.

The FTSE 100 Index starting value is 5,937.30.

## Performance record

	01/06/12 to 30/11/12 %	01/06/11 to 31/05/12 %	09/03/11 to 31/05/11 %	15/09/10 to 09/03/11 %
Capital Protected 17				
M Accumulation	10.97	2.00	(8.65)	0.20
FTSE 100 Index	12.38	(7.70)	1.27	N/A
SWIP Global Liquidity Fund				
GBP Advisory ‡	N/A	N/A	N/A	0.58

Source: Scottish Widows for Capital Protected Fund 17 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

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

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

## Holdings

	30/11/12 %		31/05/12 %
1. Lloyds TSB Bank plc 120% Put Option February 2017	174.13	Lloyds TSB Bank plc 120% Put Option February 2017	222.55
2. Lloyds TSB Bank plc 100% Call Option February 2017	69.42	Lloyds TSB Bank plc 100% Call Option February 2017	63.53
3. Lloyds TSB Bank plc 121.33% Call Option February 2017	(10.02)	Lloyds TSB Bank plc 121.33% Call Option February 2017	(9.75)
4. Lloyds TSB Bank plc 120% Call Option February 2017	(28.42)	Lloyds TSB Bank plc 120% Call Option February 2017	(22.44)
5. Lloyds TSB Bank plc 100% Put Option February 2017	(105.10)	Lloyds TSB Bank plc 100% Put Option February 2017	(153.88)

Number of holdings: 5

Number of holdings: 5

Please note: negative figures are shown in brackets.



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