



# MANAGED INVESTMENT FUNDS ICVC

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Annual long report for the year ended  
30<sup>th</sup> April 2022

**SCOTTISH WIDOWS**

# Scottish Widows Managed Investment Funds ICVC

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## The Company and Head Office

Scottish Widows Managed Investment Funds ICVC  
69 Morrison Street  
Edinburgh  
EH3 1HT

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

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## Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) and Registrar\*

Scottish Widows Unit Trust Managers Limited

*Registered Office:*

25 Gresham Street  
London  
EC2V 7HN

*Head Office:*

69 Morrison Street  
Edinburgh  
EH3 1HT

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

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## Investment Adviser\*

Aberdeen Asset Investments Limited  
Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

(in respect of International Equity Tracker Fund)

Schroder Investment Management Limited  
One London Wall Place  
London  
EC2Y 5AU

(in respect of the Balanced Growth Portfolio, Balanced Income Portfolio, Cash Fund, Cautious Income Portfolio 1, Cautious Income Portfolio 2, Progressive Growth Portfolio 1 and Progressive Growth Portfolio 2)

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

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## Depositary\*

State Street Trustees Limited

*Registered Office:*

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

*Correspondence Address:*

Quartermile 3  
10 Nightingale Way  
Edinburgh  
EH3 9EG

Authorised and regulated by the Financial Conduct Authority.

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## Independent Auditors\*

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX

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## Regulatory Body\*

The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

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\*The Company names and addresses form part of the Authorised Corporate Director's Report.

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## About the Company

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Welcome to the Annual Long Report for the Scottish Widows Managed Investment Funds ICVC (the "Company") covering the year ended 30th April 2022 (the "Report"). The Authorised Corporate Director (the "ACD") and Alternative Investment Fund Manager (the "AIFM") of the Company is Scottish Widows Unit Trust Managers Limited, a private company limited by shares which was incorporated in England and Wales on 19th April 1982. Its ultimate holding company is Lloyds Banking Group plc ("Lloyds"), which is incorporated in Scotland.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Great Britain under registration number IC000171 and is authorised and regulated by the Financial Conduct Authority (the "FCA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the "OEIC Regulations"), with effect from 19th April 2002.

Shareholders are not liable for the debts of the Company.

The Company is a non-UCITS retail scheme which complies with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook") and the Investment Funds Sourcebook (the "FUND Sourcebook"). Her Majesty's Treasury (HMT) implemented a number of statutory instruments (SIs) under the EU (Withdrawal) Act 2018 (the "Act") to ensure that common rules continued to apply to the financial services industry during the implementation period (29th March 2019 through 31st December 2020) and beyond. The Company and the ACD continue to comply with all relevant requirements.

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 8 sub-funds, each with different investment objectives. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to the sub-fund. The investment objective, policies and a review of the investment activities during the year are disclosed in the Investment Markets Overview of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FCA and Depositary.

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

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

Under the OEIC Regulations, the assets of each sub-fund can only be used to meet the liabilities of, or claims against, that sub-fund. This is known as segregated liability. Provisions for segregated liability between funds were introduced in the OEIC Regulations in 2012. Where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would recognise the segregated liability and cross-investments provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a sub-fund will always be completely protected from the liabilities of another sub-fund of the Company in every circumstance.

The Financial Statements have been prepared on an individual basis including the 8 sub-funds in existence during the year covered by this Annual Long Report, as permitted by the OEIC Regulations and the COLL Sourcebook.

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

### Prospectus changes

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

- All UK fund managers have been asked by their regulator (the Financial Conduct Authority) to review their regulated investment funds annually to see if they are giving overall value to their customers.

Following our review, we took the opportunity to make some improvements to how our charges are applied across our funds and altered the pricing structure from 21st June 2021 across our funds, ensuring greater alignment and consistency between our charges and the investment style of each fund. A summary of the changes that were made are noted below.

#### Balanced Growth Portfolio

- We changed the eligibility criteria and features of a number of share classes: (i) to reflect a new automatic conversion event in respect of share class P; and (ii) to ringfence share class G;
- We decreased the annual management charge of share class A;

#### Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund and Progressive Portfolio Fund

- We decreased the annual management charge of share class A;

#### Dynamic Income Portfolio

- We changed the eligibility criteria and features of a number of share classes: (i) to reflect a new automatic conversion event in respect of share class B; and (ii) to ringfence share class P;
- We decreased the annual management charge of share class A;

## Prospectus changes (continued)

### Managed Income Portfolio and Momentum Income Portfolio

- We changed the eligibility criteria and features of certain share classes to ringfence share class P;
- We decreased the annual management charge of share class A;

### Stockmarket Growth Portfolio

- We changed the eligibility criteria and features of certain share classes to reflect a new automatic conversion event in respect of share class P;
- We decreased the annual management charge of share class A;

### Strategic Growth Portfolio

- We changed the eligibility criteria and features of a number of share classes to reflect a new automatic conversion event in respect of share classes B and P;
- We decreased the annual management charge of share class A;

We also made changes to the following charges:

- We reduced the initial charge to 0% in respect of certain share classes of the following funds: Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio.
  - We removed all references to maximum initial charges and maximum annual management charges.
  - We reduced the registrar's fee to 0.05% in respect of the Cash Fund and International Equity Tracker Fund.
- As a result of a periodic review of our funds, we also made a number of other changes that took effect on 21st June 2021, which are summarised below:

### Changes to the Instrument and/or Prospectus (as appropriate) of the Company:

- We updated the compulsory conversion powers to reflect that these powers are not restricted to specified share classes but may be used where we consider that this would be in shareholders' interests.
- We updated the investment objective of the Cash Fund to reflect a change in the benchmark of the sub-fund from 7 Days Sterling LIBOR to Sterling Overnight Index Average (SONIA);
- We changed the names of certain funds as follows:

Previous sub-fund name	New sub-fund name
Dynamic Income Portfolio	Balanced Income Portfolio
Managed Income Portfolio	Cautious Income Portfolio 1
Momentum Income Portfolio	Cautious Income Portfolio 2
Strategic Growth Portfolio	Progressive Growth Portfolio 1
Stockmarket Growth Portfolio	Progressive Growth Portfolio 2

- We defined the terms "Balanced", "Cautious" and "Progressive" (as appropriate) in respect of certain funds as follows:

Balanced Growth Portfolio Balanced Income Portfolio	The ACD has named this Fund Balanced. Our Balanced funds aim to hold a mixture of shares and bonds typically on a relatively equal basis. Where permitted, these funds will have some exposures to property and absolute return strategies and other assets.  Our Balanced funds therefore aim to have a balanced mix of higher and lower risk assets and therefore a balance between return potential and the lower volatility offered by lower risk assets.
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## Prospectus changes (continued)

Cautious Income Portfolio 1 Cautious Income Portfolio 2	The ACD has named this Fund Cautious. Our Cautious funds are dominated by lower risk assets such as government bonds and high quality corporate bonds but additionally may include small exposures to high-yield bonds. Our Cautious funds may also have some exposure to shares (UK and International), property and other riskier assets which have the potential for higher returns than bonds.  Our Cautious funds are intended to provide modest returns and modest levels of volatility compared to our other Multi-Asset funds which typically have higher exposure to shares.
Progressive Growth Portfolio 1 Progressive Growth Portfolio 2	The ACD has named this Fund Progressive. Our Progressive funds are dominated by exposure to UK and International shares but may also have some bonds, property, cash and absolute returns strategies to aim to lower volatility during market fluctuations.  These funds seek higher returns which might be achieved from investment in shares compared to our other Multi-Asset funds with lower risk assets but may experience greater volatility of returns.

### Changes to the Instrument of the Company:

- We removed the "net" and "gross" designation from the share classes:

Previous share class designations	New share class designations
Net Income Shares	Income Shares
Net Accumulation Shares	Accumulation Shares
Gross Income Shares	Income Shares
Gross Accumulation Shares	Accumulation Shares

- We removed all references to gross and net paying shares.
- We removed all references to bearer shares following an update in legislation.
- We removed all references to share class U (including removal of all references to "Automatic Switch" (as defined in the Instrument) which relates to share class U).
- We removed all references to share class B shares which are not currently in issue.
- With effect from 21st May 2021, the investment objective and policy of the International Equity Tracker Fund, a sub-fund of the Company (the Sub-Fund) were amended to reflect that the Sub-Fund will be directly investing in shares instead of derivatives to track the performance of the FTSE All-World ex-UK Index. The type of distribution which it is intended will be paid by the Sub-Fund is as follows: Interest until the income allocation period which ended on 30th April 2021 with an income allocation date of 30th June 2021. Dividend thereafter.
- Shareholders in the Company holding shares in the Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund and the Progressive Portfolio Fund voted (at a series of meetings of those shareholders held on 28th May 2021) in favour of the ACD's proposals to merge, by way of a scheme of arrangement, the below named funds (the "Merging Funds") into the undernoted funds (the "Receiving Funds") of Scottish Widows Managed Investment Funds ICVC (the "Mergers").

Merging Funds		Receiving Funds
Balanced Portfolio Fund	merging into	Balanced Growth Portfolio
Cautious Portfolio Fund	merging into	Cautious Income Portfolio 2
Opportunities Portfolio Fund	merging into	Progressive Growth Portfolio 1
Progressive Portfolio Fund	merging into	Progressive Growth Portfolio 1
each an existing fund of Scottish Widows Managed Investment Funds ICVC		each an existing fund of Scottish Widows Managed Investment Funds ICVC

The Mergers took effect on 28th June 2021. The Merging Funds completed termination on 28th October 2021.

## Prospectus changes (continued)

- PricewaterhouseCoopers LLP resigned as independent auditor of the Company effective from 22nd March 2021. In accordance with the COLL Sourcebook and the OEIC Rules, Deloitte LLP has been appointed as replacement independent auditor.
- The ACD operates an investment exclusions policy which applies to investments made by various entities within the Lloyds Banking Group Insurance division (the Group). The exclusions policy is part of the responsible investment framework which sets out the Group's approach to addressing material financial risks and opportunities linked to Environmental, Social and Governance (ESG) factors. The exclusions policy sets out the principles applied to determining exclusions or limitations on investment in companies which do not adhere to minimum ESG criteria and/or are engaged in activities that fall outside of the responsible investment framework. With effect from 22nd July 2021, the ACD added a statement to the Prospectus of the Company listing the sub-fund(s) that are in scope and to summarise the exclusion policy and to clarify the sub-fund(s) which are invested within its principles. The sub-fund of the Company which is currently in scope of the exclusions policy is the Cash Fund.
- With effect from 26th October 2021, the Prospectus of the Company was updated to show that the ACD's Registered Office address was changed from Charlton Place, Andover, Hampshire SP10 1RE to 25 Gresham Street, London, United Kingdom, EC2V 7HN. There was also an update to the Prospectus of the Company to amend Investment and Borrowing Powers references which had applied when the International Equity Tracker Fund, a sub-fund of the Company (the Sub-Fund), previously gained exposure to international markets through derivatives and are no longer relevant so wording was removed that had accidentally been retained in the Prospectus following changes to the investment objective and policy of the Sub-Fund from 21st May 2021.

A copy of the Prospectus is available on request.

## Important information

- The investment objective and policy of the International Equity Tracker Fund, a sub-fund of the Company (the "Sub-Fund") was updated from 3rd May 2022 to reflect (i) a change from investing in a representative sample of shares to a 'full replication' approach; and (ii) a change in the Sub-Fund's previous benchmark to a custom benchmark which excludes companies within the previous benchmark based on the ACD's investment screening criteria:

Sub-Fund	Previous Benchmark	New Custom Benchmark
International Equity Tracker Fund	FTSE All-World ex UK Index	FTSE All-World ex UK Custom Screened Index

- As required by the FCA we have carried out an annual value assessment of these funds to consider overall value delivered to customers. To avoid duplication and for ease of communication we have published a separate value assessment report explaining to customers, what we have found and what we are doing in a combined statement across all of the funds in Scottish Widows Unit Trust Managers Limited. The value assessment report is available for customers to read on our website at <https://www.scottishwidows.co.uk/kiids/>
- The Russian invasion of Ukraine, beginning in February 2022, has increased tensions between members of the North Atlantic Treaty Organisation (NATO) and Russia and caused sanctions to be imposed. This could have significant adverse economic effects on financial markets and on energy costs, and may also result in increased cyber attacks and an increase in costs associated with such cyber attacks. The International Equity Tracker Fund holds a number of securities with links to Russia that have been suspended. The portfolio of investments of the remaining sub-funds of the Company do not contain any securities with a direct or indirect exposure to Russia, Ukraine or Belarus. The ACD will continue to monitor the situation and risks to the Company.

## Coronavirus

The Covid-19 (Coronavirus) outbreak has impacted Global economies throughout the year creating an ongoing period of volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

The ACD's resilience to such events is regularly reviewed through stress and scenario testing. Plans to continue to operate important business services are in place and continue to be reviewed in light of the Covid-19 outbreak. The Covid response framework will be triggered if there are any strains in the operational environment.

## Going concern basis of accounting

The ACD has considered Covid-19 impact on the financial resources and operations of the Company, the investment manager and key service providers. The ACD is of the opinion that the Company has sufficient financial resources and robust business continuity plans in place to continue as a going concern and as such, the financial statements have been prepared on a going concern basis.



**Sub-fund cross-holdings**

As required by the COLL Sourcebook, the following table shows the number and value of shares held by each of the other sub-funds of the Company. As at 30th April 2022 the cross-holdings were as follows:

Sub-fund	Shares in other Sub-Funds	Holding	Market Value £000
Cautious Income Portfolio 2	International Equity Tracker Fund	1,714,856	8,502

**Remuneration disclosures**

The Alternative Investment Fund Managers Directive (UK AIFMD) requires the annual report of an Alternative Investment Fund (AIF) to contain a remuneration disclosure. The requirements include disclosing the total amount of remuneration paid by the Alternative Investment Fund Manager (AIFM) to its staff for the financial year, split into fixed and variable remuneration.

This section provides an analysis of remuneration awards made by Lloyds Banking Group ('the Group') to its UK AIFMD Identified Staff for the Group's financial year to 31st December 2021, together with an explanation of the Group's remuneration policies, structure and governance.

**Quantitative remuneration disclosure**

Aggregate remuneration paid for the year ended 31st December 2021 to senior management and members of staff whose actions have a material impact on the risk profile of the AIFs (Identified Staff)	
	Total
Fixed remuneration	£3,451,188
Variable remuneration	£3,059,242
Carried interest	0
<b>TOTAL</b>	<b>£6,510,430</b>
Number of Identified Staff <sup>1</sup>	11 <sup>1</sup>

<sup>1</sup>Excludes Non-Executive Directors of the Board. The figures stated in the above table represents the total remuneration received by individuals in respect of work undertaken for Lloyds Banking Group, as well as their specific AIF/AIFM activities.

Staff shown in the table above are employed by the Group in relation to activities relating to the management of AIFs/AIFMs and are subject to the Group remuneration policy. They also perform other Group activities; no staff are directly employed by the AIFs/AIFMs. The investment management of the AIFs is carried out by external investment advisers, and the fees paid for these services in respect of the Scottish Widows Managed Investment Funds ICVC are disclosed in the external investment adviser fees section.

Some individuals are subject to more than one regulatory regime, e.g. UK AIFMD and CRD, therefore the enhanced CRD regulatory requirements such as clawback apply.

**Quantitative AIF/AIFM disclosure**

The table below shows the total net asset value of all funds the identified staff are responsible for, specifically highlighting the proportion of the assets related to the Scottish Widows Managed Investment Funds ICVC.

As at 31st December 2021 the assets under management for all funds were as follows:		
	Net asset value £	% of total assets
Scottish Widows Income and Growth Funds ICVC	10,951,858,465	23.25%
Scottish Widows Investment Solutions Funds ICVC	15,831,911,240	33.61%
<b>Scottish Widows Managed Investment Funds ICVC</b>	<b>3,379,496,088</b>	<b>7.17%</b>
Scottish Widows Overseas Growth Investment Funds ICVC	2,965,381,338	6.29%
Scottish Widows Property Authorised Contractual Scheme	3,550,894,713	7.54%
Scottish Widows Tracker and Specialist Investment Funds ICVC	7,261,336,609	15.41%
Scottish Widows UK and Income Investment Funds ICVC	3,169,914,463	6.73%
<b>Total: Scottish Widows Unit Trust Managers Limited</b>	<b>47,110,792,916</b>	<b>100.00%</b>



### Remuneration disclosures (continued)

#### External investment adviser fees

The annual investment adviser fees paid to Aberdeen Asset Investments Limited and Schroder Investment Management Limited for investment management services in respect of the Scottish Widows Managed Investment Funds ICVC, for the year to 31st December 2021 were £942,658.

These fees are paid by Scottish Widows Unit Trust Managers Limited.

Aberdeen Asset Investments Limited and Schroder Investment Management Limited are subject to remuneration rules under Directive 2013/36/EU ("CRD IV") and under the amended Directive 2019/878 ("CRD V") that are equally as effective as those applicable under the UK AIFMD regime. Staff employed by Aberdeen Asset Investments Limited and Schroder Investment Management Limited who are "Identified Staff" for the purposes of the Guidelines published from time to time by the European Securities and Markets Authority are subject to remuneration rules commensurate with those which apply to Identified Staff of the AIFM. Aberdeen Asset Investments Limited and Schroder Investment Management Limited make information on remuneration publicly available in accordance with the disclosure requirements.

#### Qualitative remuneration disclosure

The remuneration policy for UK AIFMD Identified Staff is driven by that of the wider banking group, where the policy is set by the LBG Remuneration Committee. The Group's Remuneration Committee is responsible for considering, agreeing and overseeing the overall remuneration philosophy and policy of the Group.

#### Composition of the Remuneration Committee

The members of the Committee during 2021 were Alan Dickinson (Chair from November 2021), Robin Budenberg, Amanda Mackenzie, Stuart Sinclair (Chair until November 2021), Sara Weller and Catherine Woods.

The Remuneration Committee appoints independent consultants to provide advice on specific matters according to their particular expertise. During the year, Mercer (part of the MMC group of companies) was the appointed advisor to the Remuneration Committee.

#### Role of the relevant stakeholders

During 2021, the Committee has consulted extensively with a number of shareholders and key stakeholders, such as the Group's main regulators, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The Chairman of the Remuneration Committee has also met with the Group's recognised unions.

The Group conducts colleague surveys every six months to measure engagement and culture. The engagement survey includes specific questions relating to reward and discussions on the Group's remuneration approach takes place with union representatives during the annual pay review cycle and on relevant employee reward matters.

#### Principles of the remuneration policy

The objective of the Policy is to align individual reward with the Group's performance, the interests of its shareholders and a prudent approach to risk management.

The remuneration policy is based on four core aims that are designed to specifically promote certain desired behaviours and outcomes, which are supported by the structure of the remuneration package offered to colleagues.

The four core aims are:

- Purpose – remuneration should be linked to the Group's purpose of Helping Britain Prosper;
- Behaviours – remuneration should reward and drive the right behaviours and outcomes and reflect both strategic (non-financial) and financial achievements;
- Simplicity – remuneration should be designed in a manner that is clear for all stakeholders and reflects their experience; and
- Clarity – remuneration should be easy to explain and viewed as fair.

The remuneration policy is based on principles which are applicable to all employees within the Group and, in particular, the principle that the reward package should support the delivery of the Group's purpose and strategic aim whilst delivering long-term superior and sustainable returns to shareholders. It fosters performance in line with the Group's values and behaviours, encourages effective risk disciplines and is in line with relevant regulations and codes of best practice. To support remuneration decision-making, Insurance & Wealth operates a robust and effective performance management framework. Performance is assessed across the organisation using a balanced scorecard approach comprising of financial and non-financial metrics and balancing the interests of various stakeholders including customers, shareholders and colleagues.

Risk is an embedded consideration in all categories of the balanced scorecard and emphasis is placed on reviewing how objectives are achieved, as well as what has been delivered. Various types of risk are considered, including (but not limited to) credit risk, conduct risk, market risk, operational risk and insurance risk.

### Remuneration disclosures (continued)

#### Base salary and Benefits

Base salaries are reviewed annually, taking into account individual performance and market information.

Core benefits for UK-based colleagues include pensions, concessionary financial products, Private Medical cover and a voluntary discount scheme.

#### Variable remuneration arrangements

The Group Performance Share (GPS) Plan is the default annual discretionary bonus plan, where eligible colleagues are considered for an annual discretionary award based on LBG plc and business area performance including risk, and individual contribution.

The approach for the award is determined by the LBG plc Remuneration Committee.

Individual Group Performance Share awards are based upon individual contribution and overall Group financial results over the past year.

The Group's total risk-adjusted GPS outcome is determined by the Remuneration Committee annually as a percentage of the Group's underlying profit, modified for:

- Group Balanced Scorecard performance; and
- Collective and discretionary adjustments to reflect risk matters and/or other factors.

Measures, targets and weightings are determined annually by the Committee in line with the Group's strategic business plan and consist of both financial and non-financial measures.

Remuneration under the GPS Plan is a mixture of cash and shares. The Group applies deferral arrangements to GPS and variable pay awards made to colleagues. GPS awards for Identified Staff are subject to deferral and a holding period in line with regulatory requirements.

The balance of fixed and variable remuneration is regarded as appropriate for such employees and allows variable remuneration to be adequately flexed to reflect the performance of the Group, the business unit and the individual.

Material Risk Takers and Solvency II identified staff are additionally assessed on both a pre risk and post risk performance rating, evidencing the impact the employee's risk performance has had on their overall performance.

#### Long Term Share Plan

The long term variable reward opportunity aligns executive management incentives and behaviours to the objective of delivering long-term superior and sustainable returns. Long term variable rewards incentive stewardship over a long time horizon and promote good governance through a simple alignment with the interest of shareholders.

Awards made under the rules of the Long term Share Plan are in the form of conditional shares and award levels are set at the time of grant, in compliance with regulatory requirements, and may be subject to a discount in determining total variable remuneration under the rules set by the European Banking Authority. The number of shares to be awarded may be calculated using a fair value or based on a discount to market value, as appropriate.

Vesting will be subject to an assessment of underpin thresholds being measured over a period of three years, or such longer period, as determined by the LBG Remuneration Committee.

The Remuneration Committee retains full discretion to amend the pay-out levels should the award not reflect business and/or individual performance. The Committee may reduce (including to zero) the level of the award, apply additional conditions to the vesting, or delay the vesting of awards to a specified date or until conditions set by the Committee are satisfied, where it considers it appropriate.

Awards may be subject to malus and clawback for a period of up to seven years after the date of award which may be extended to 10 years where there is an ongoing internal or regulatory investigation.

Further details can be found in the LBG Directors' remuneration section of 2021 Annual Report using the link below:

<https://www.lloydsbankinggroup.com/assets/pdfs/investors/annual-report/2021/2021-lbg-annual-report.pdf>

#### Deferral, vesting and performance adjustment

At least 40 per cent of Identified Staff variable remuneration above certain thresholds is deferred into Lloyds Banking Group Shares for a minimum of three years.

For all Identified Staff, GPS is deferred in line with the regulatory requirements and all share awards are subject to a 12-month retention period.

For all colleagues, any deferred variable remuneration amount is subject to performance adjustment (malus) in accordance with the Group's Deferral and Performance Adjustment Policy.

#### All employee share plans

There are also two "all employee" share plans available for investment by all employees, namely Sharematch and Sharesave.

### **Remuneration disclosures (continued)**

#### **All employee share plans (continued)**

Sharematch gives each employee the opportunity to invest (from gross pay) in LBG shares (called Partnership Shares) and can be joined at any time. The maximum investment is £150 per month and for every two partnership shares you buy, you'll receive three matching shares up to a maximum colleague investment of £30 per month.

Sharesave is a combined Save As You Earn ('SAYE') savings and share option plan where employees are able to save between £5 and a maximum of £500 each month directly from their net salary (i.e. after income tax and National Insurance have been paid) for three years.

#### **Pension and supplementary schemes**

UK AIFMD Identified Staff are eligible for membership of the all employee pension schemes on the terms that are in line with all employees.

The Group does not operate an early retirement scheme.

## Statement of the Authorised Corporate Director's Responsibilities

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for the year ended 30th April 2022

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

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the Prospectus and Instrument of Incorporation and the requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017 ("SORP");
- follow United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

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

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

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

## Report of the Authorised Corporate Director

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In accordance with the rules in the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, I hereby approve the report and financial statements on behalf of the Authorised Corporate Director of Scottish Widows Managed Investment Funds ICVC.

**James Hillman**  
**Director**  
**Scottish Widows Unit Trust Managers Limited**  
**24th August 2022**

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

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for the year ended 30th April 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out;
- the value of shares of the Company are calculated;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**State Street Trustees Limited**  
**24th August 2022**

# Independent Auditors' Report to the Shareholders of Scottish Widows Managed Investment Funds ICVC

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## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Scottish Widows Managed Investment Funds ICVC (the 'company'):

- give a true and fair view of the financial position of the company and its sub-funds as at 30th April 2022 and of the net revenue and the net capital gains/(losses) on the property of the company and its sub-funds for the year ended 30th April 2022; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each of the sub-funds:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the accounting policies and individual notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of depositary and ACD

As explained more fully in the statement of depositary's responsibilities and statement of ACD's responsibilities, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: obtained understanding of the relevant controls at the administrator over the valuation and existence of investments; involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and FCA.



### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and its sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30th April 2022 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

#### Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Deloitte LLP**  
**Statutory Auditor**  
**Glasgow, United Kingdom**  
**24th August 2022**

# Summary of Significant Accounting Policies, Judgements and Estimates

## applicable to all sub-funds

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for the year ended 30th April 2022

### 1. Significant accounting and distribution policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017, and the Collective Investment Schemes Sourcebook.

As disclosed on page 5, the financial statements have been prepared on a going concern basis.

#### (b) Revenue

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

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

Equalisation on distributions received is treated as capital and deducted from the cost of the investment.

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

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

Currency gains or losses arising from the repatriation of foreign dividends or tax reclaims are still treated as taxable and therefore the Overseas Taxable Revenue line in the Revenue note may be negative.

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

#### (c) Expenses

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

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

The ACD's annual fee is charged to the revenue property of the respective sub-funds. Rebates are applied where ACD's fees are incurred by the underlying investments. Internal management fee rebates (rebates from Lloyds Banking Group plc companies) are offset against the ACD's periodic charge, meaning in some circumstances the accrued ACD fee will be negative due to rebates received.

Where it is the policy of the underlying Fund to charge its management fees to capital in determining its distribution, the Fund recognises such management rebates as capital within note 2 - Net capital gains/(losses) on an accruals basis. Otherwise the rebate is recognised as revenue on an accruals basis within note 3 - revenue, or note 4 - expenses if internal, and forms part of the distribution.

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

#### (d) Distribution policy

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

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

- Cash Fund
- Balanced Income Portfolio
- Cautious Income Portfolio 1
- Cautious Income Portfolio 2

All other sub-funds make dividend distributions.

As permitted by the SORP, the Balanced Income Portfolio, Balanced Growth Portfolio, Cautious Income Portfolio 1, Cautious Income Portfolio 2 and International Equity Tracker Fund have not taken into account marginal tax relief in determining the distribution. All other sub-funds do not have marginal tax relief.

#### (e) Taxation

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

# Summary of Significant Accounting Policies, Judgements and Estimates

## applicable to all sub-funds

(continued)

for the year ended 30th April 2022

### 1. Significant accounting and distribution policies (continued)

#### (e) Taxation (continued)

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

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

#### (f) Valuation of investments

Purchases and sales of investments are recognised on the trade date, i.e. the date the Company commits to purchase the asset from, or deliver the asset to, the counterparty. Investments are initially recognised at cost, being the fair value of the consideration given, and are subsequently re-measured at fair value.

The listed investments of the Company have been valued at market value on 30th April 2022 at world close of business, excluding any accrued interest in the case of fixed interest securities. Market value is defined by the SORP as fair value, which is generally the bid value of each security. Listed investments that are unable to be valued by standard sources are reviewed separately. These valuation exceptions include securities that are illiquid, unlisted, delisted, unapproved or suspended and are based on the ACD's assessment of their fair value. This assessment includes regular communication between internal pricing and valuation teams, and the investment adviser. Expert judgement is applied in order to calculate or adjust the value of the securities. Appropriate documentation is recorded and all management information is reported to a valuation committee on a monthly basis.

Open forward currency contracts are shown in the Portfolio Statement and are valued using contracted forward rates. The net gains/(losses) are reflected in "Forward currency contracts" in Net capital gains/(losses).

Open futures contracts are shown in the Portfolio Statement and are valued at their fair value as at balance sheet date. The fair value of long positions is the quoted bid price and fair value of short positions is the quoted offer price. The returns are either reflected in "Futures contracts" within Net capital gains/(losses) or are included within Revenue depending upon the nature of the transaction as per the accounting policy of derivatives note 1(i).

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

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

Investments are derecognised when the contractual right to receive cash flows from the asset has expired or when the Company has transferred its contractual right to receive the cash flows from the asset and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

#### (g) Exchange rates

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

#### (h) Dilution adjustment

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

#### (i) Derivatives

Some of the sub-funds may enter into permitted transactions such as derivative contracts or forward currency contracts. The treatment of the returns from derivatives depends upon the nature of the transaction. Both motives and circumstances are used to determine whether returns should be treated as capital or revenue.

Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are capital and included within gains/losses on investments in the Statement of Total Return. Similarly where they are for generating or protecting revenue, and the circumstances support this, the returns are revenue and included within net revenue in the Statement of Total Return. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value.

## Summary of Significant Accounting Policies, Judgements and Estimates

### applicable to all sub-funds

(continued)

for the year ended 30th April 2022

#### 2. Significant accounting judgements and estimates

The sub-funds make judgements and estimates when applying its significant accounting policies which affect the amounts of income and expenses recognised during the financial period and the amounts of assets and liabilities reported at the end of the financial period.

Estimates are continually assessed based on historical experience and other factors, including expectations of future events, in order to ensure they are reasonable under the circumstances.

##### (a) Judgements

In the process of applying the sub-funds' accounting policies, the ACD considers that the following judgement has the most significant effect on the amounts recognised in the financial statements:

##### **Deferred tax assets**

At the current and prior year end dates, the Progressive Growth Portfolio 1 and Progressive Growth Portfolio 2 had potential deferred tax assets relating to surplus management expenses. No deferred tax assets have been recognised in either year on the basis that the ACD does not consider it probable that the sub-funds would generate sufficient taxable profits in the future to utilise these amounts.

Further information is provided in note 5(d) within the notes to the financial statements for the each sub-fund.

##### (b) Estimates

In the process of applying the sub-funds' accounting policies, the ACD has not made any estimates which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements.

# Balanced Growth Portfolio

## Investment Markets Overview

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for the year ended 30th April 2022

### Investment Objective

The Fund aims to provide capital growth by investing in regulated collective investment schemes.

These collective investment schemes will provide exposure to shares together with exposure to a mix of asset classes (including fixed interest securities, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

### Investment Policy

Between 30% and 70% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

Between 20% and 60% of the Fund will provide exposure to fixed interest securities. This will include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. It may also include overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund which may be actively or passively managed\*\*\* and may include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors. Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Balanced. Our Balanced funds aim to hold a mixture of shares and bonds typically on a relatively equal basis. Where permitted, these funds will have some exposures to property and absolute return strategies and other assets.

Our Balanced funds therefore aim to have a balanced mix of higher and lower risk assets and therefore a balance between return potential and the lower volatility offered by lower risk assets.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 20-60% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>

## Investment Markets Overview

(continued)

for the year ended 30th April 2022

## Synthetic Risk and Reward Indicator

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

The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 20th January 2022.	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						→
	1	2	3	4	5	6	7

## Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Balanced Growth Portfolio A Accumulation	0.79	15.38	(5.86)	2.09	3.63

Source: Financial Express for Balanced Growth Portfolio. Basis: Net revenue reinvested and net of expenses.

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

The Portfolio achieved a positive return in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Equity returns were the primary driver of positive performance over the period, supported by the allocation to global and UK stocks. Alternative assets also added value, led by the allocation to property and commodities. Fixed income holdings detracted from returns as emerging market, high yield and investment grade debt struggled over the period. Central banks have turned more hawkish, and markets have subsequently priced in a faster pace of monetary normalisation.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022

## Balanced Growth Portfolio

### Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.33%, 30/04/21 99.41%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	59,937,765	61,778	5.11
BNY Mellon Global Absolute Return Fund W Acc	23,706,267	29,867	2.47
BNY Mellon Real Return Fund W Acc	20,129,703	28,592	2.36
HBOS International Growth Fund I Inc†	7,796,857	46,649	3.86
HBOS UK Property Fund I Inc†	36,317,740	44,598	3.69
Nordea 1 Diversified Return Fund BD GBP Acc	215,479	28,189	2.33
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)Ø	726,481	91,630	7.58
Schroder Sterling Liquidity Fund X Inc†Ø	15,987,875	15,988	1.32
Schroder Sterling Short Duration Bond Fund X IncØ	409,765	40,948	3.39
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	69,062,973	81,563	6.74
Scottish Widows Corporate Bond Fund W Gross Acct†	137,978,826	184,892	15.29
Scottish Widows Emerging Markets Fund X Acct†	13,750,378	39,532	3.27
Scottish Widows European (ex UK) Equity Tracker Fund X Acct†	3,559,392	7,129	0.59
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	20,533,761	30,534	2.52
Scottish Widows Fundamental Index Global Equity Fund X Acct†	11,999,016	31,881	2.64
Scottish Widows Fundamental Index UK Equity Fund X Acct†	10,036,343	17,232	1.42
Scottish Widows Fundamental Low Volatility Index Emerging Markets Equity Fund X Acct†	4,524,718	7,805	0.65
Scottish Widows Fundamental Low Volatility Index UK Equity Fund X Acct†	12,837,472	17,433	1.44
Scottish Widows Gilt Fund W Gross Acct†	7,378,765	9,083	0.75
Scottish Widows Global Growth Fund X Acct†	33,870,202	104,253	8.62
Scottish Widows Global Select Growth Fund X Acct†	1,228,471	21,830	1.81
Scottish Widows High Income Bond Fund X Gross Acct†	23,102,732	62,493	5.17
Scottish Widows International Bond Fund W Gross Acct†	13,342,761	17,506	1.45
Scottish Widows Japan Equity Fund X Acct†	3,326,603	7,036	0.58
Scottish Widows UK All Share Tracker Fund X Acct†	37,791,422	124,296	10.28
Scottish Widows US Equity Tracker Fund X Acct†	8,366,674	33,559	2.78
		1,186,296	98.11
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR	630,533	14,729	1.22
		14,729	1.22
<b>TOTAL FINANCIALS</b>		<b>1,201,025</b>	<b>99.33</b>
<b>DERIVATIVES (0.30%, 30/04/21 0.10%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR64,300,000 for GBP53,435,872 Settlement 24/05/2022		593	0.05
Bought USD33,245,025 for GBP25,483,795 Settlement 24/05/2022		996	0.08
Bought USD7,051,975 for GBP5,467,325 Settlement 24/05/2022		150	0.01
Sold EUR3,130,000 for GBP2,640,966 Settlement 24/05/2022		11	0.00
Sold EUR3,130,000 for GBP2,641,254 Settlement 24/05/2022		11	0.00
Sold EUR2,817,000 for GBP2,377,407 Settlement 24/05/2022		10	0.00
Sold EUR3,098,700 for GBP2,613,227 Settlement 24/05/2022		10	0.00
Sold EUR3,130,000 for GBP2,640,133 Settlement 24/05/2022		10	0.00
Sold EUR3,130,000 for GBP2,640,468 Settlement 24/05/2022		10	0.00
Sold EUR3,286,500 for GBP2,771,177 Settlement 24/05/2022		10	0.00
Sold EUR3,145,650 for GBP2,652,230 Settlement 24/05/2022		9	0.00
Sold EUR3,145,650 for GBP2,651,443 Settlement 24/05/2022		8	0.00
Sold EUR1,643,249 for GBP1,384,927 Settlement 24/05/2022		4	0.00



## Balanced Growth Portfolio

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Sold EUR1,643,251 for GBP1,384,391 Settlement 24/05/2022		4	0.00
Sold USD32,973,000 for GBP25,333,641 Settlement 24/05/2022		(929)	(0.07)
		907	0.07
<b>Futures Contracts</b>			
Australian Government Bond 10 Year Futures June 2022	283	(4)	0.00
EURO STOXX 50 Index Futures June 2022	(528)	(108)	(0.01)
FTSE 100 Index Futures June 2022	353	263	0.02
MSCI World Energy Index Futures June 2022	221	287	0.03
S&P 500 E Mini Index Futures June 2022	(219)	2,401	0.20
US Treasury Note 10 Year Ultra Bond Futures June 2022	(202)	(84)	(0.01)
		2,755	0.23
<b>TOTAL DERIVATIVES</b>		<b>3,662</b>	<b>0.30</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>1,204,687</b>	<b>99.63</b>
<b>Net other assets</b>		<b>4,523</b>	<b>0.37</b>
<b>Total net assets</b>		<b>1,209,210</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The Futures Contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

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

## Balanced Growth Portfolio

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc‡	393,398	Schroder Sterling Liquidity Fund X Inc‡	408,944
Scottish Widows Corporate Bond 1 Fund W Gross Acct	91,183	BlackRock ACS Climate Transition World Equity Fund	
BlackRock ACS Climate Transition World Equity Fund		X0 GBP Acc	69,111
X4 GBP Acc	69,111	BlackRock ACS Climate Transition World Equity Fund	
BlackRock ACS Climate Transition World Equity Fund		X1 GBP Acc	31,760
X0 GBP Acc	65,881	Schroder Sterling Short Duration Bond Fund X Inc	30,886
Schroder ISF Emerging Market Bond Fund I GBP Acc			
(Hedged)	63,842	BNY Mellon Newton Real Return Fund X Acc	28,616
Schroder Sterling Short Duration Bond Fund X Inc	47,355	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	26,511
Scottish Widows US Equity Fund X Acct	36,538	Scottish Widows UK Equity Tracker Fund X Acct	26,332
Lyxor Commodities Refinitiv/CoreCommodity CRB TR	34,602	Scottish Widows UK Equity Tracker Fund X Acct	22,420
BNY Mellon Investments Funds ICVC - BNY Mellon Real			
Return	28,616	Scottish Widows Global Growth Fund X Acct	21,104
iShares J.P. Morgan USD EM Bond UCITS ETF#	26,327	Scottish Widows Corporate Bond 1 Fund W Gross Acct	18,596

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Funds.

## Balanced Growth Portfolio

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	228.02	197.59	209.90
Return before operating charges*	4.97	33.85	(8.97)
Operating charges	(2.64)	(3.42)	(3.34)
Return after operating charges*	2.33	30.43	(12.31)
Distributions	(1.67)	(1.60)	(3.73)
Retained distributions on accumulation shares	1.67	1.60	3.73
Closing net asset value per share	230.35	228.02	197.59
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	1.03%	15.40%	(5.86)%
<b>Other information</b>			
Closing net asset value (£000)	479,391	403,308	372,245
Closing number of shares	208,113,897	176,872,700	188,390,700
Operating charges#Δ	1.13%	1.61%	1.59%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	241.20	228.00	222.10
Lowest share price	225.10	192.30	175.30

ΔDuring the period, the ACD's periodic charge changed from 1.50% to 0.95%. As such, 1.07% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 19 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Growth Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	124.01	106.78	112.81
Return before operating charges*	2.71	18.34	(4.96)
Operating charges	(1.23)	(1.11)	(1.07)
Return after operating charges*	1.48	17.23	(6.03)
Distributions	(1.12)	(1.60)	(2.63)
Retained distributions on accumulation shares	1.12	1.60	2.63
Closing net asset value per share	125.49	124.01	106.78
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	1.21%	16.14%	(5.35)%
<b>Other information</b>			
Closing net asset value (£000)	10,091	10,142	8,899
Closing number of shares	8,041,045	8,178,245	8,334,645
Operating charges#	0.97%	0.96%	0.94%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	131.30	124.00	119.80
Lowest share price	122.60	103.90	94.69

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Growth Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	117.60	101.40	107.26
Return before operating charges*	(0.09)	17.42	(4.69)
Operating charges	(0.31)	(1.22)	(1.17)
Return after operating charges*	(0.40)	16.20	(5.86)
Distributions	-	(1.37)	(2.37)
Retained distributions on accumulation shares	-	1.37	2.37
Return to shareholder as a result of class closure	(117.20)	-	-
Closing net asset value per share	-	117.60	101.40
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	-	15.98%	(5.46)%
<b>Other information</b>			
Closing net asset value (£000)	-	28,951	23,499
Closing number of shares	-	24,618,000	23,173,600
Operating charges#	-	1.11%	1.09%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	-	117.60	113.80
Lowest share price	-	98.68	89.93

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class P Accumulation was closed on 21st June 2021.

## Balanced Growth Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class T - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	227.77	194.74	204.39
Return before operating charges*	4.57	33.34	(9.35)
Operating charges	(0.35)	(0.31)	(0.30)
Return after operating charges*	4.22	33.03	(9.65)
Distributions	(3.57)	(4.43)	(6.12)
Retained distributions on accumulation shares	3.57	4.43	6.12
Closing net asset value per share	231.99	227.77	194.74
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges	1.86%	16.96%	(4.72)%
<b>Other information</b>			
Closing net asset value (£000)	434,683	468,065	413,537
Closing number of shares	187,368,450	205,494,450	212,358,450
Operating charges#	0.15%	0.15%	0.15%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	242.20	227.80	218.10
Lowest share price	225.50	189.50	172.60

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Growth Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)
<b>Share Class X - Accumulation</b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	0.56
Operating charges	(0.10)
Return after operating charges*	0.46
Distributions	(1.34)
Retained distributions on accumulation shares	1.34
Closing net asset value per share	100.46
*after direct transaction cost of:	0.00
<b>Performance</b>	
Return after charges	0.47%
<b>Other information</b>	
Closing net asset value (£000)	285,045
Closing number of shares	283,750,469
Operating charges#	0.12%
Direct transaction costs	0.00%
<b>Prices**</b>	
Highest share price	104.80
Lowest share price	98.04

#Operating charges are representative of the ongoing charges figure.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 25th June 2021.



## Balanced Growth Portfolio

### Statement of Total Return

for the year ended 30th April 2022

	Notes	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Income			
Net capital gains	2	865	117,780
Revenue	3	20,994	19,694
Expenses	4	(5,576)	(6,534)
Interest payable and similar charges		(154)	(21)
Net revenue before taxation		15,264	13,139
Taxation	5	(818)	(377)
Net revenue after taxation		14,446	12,762
<b>Total return before distributions</b>		<b>15,311</b>	<b>130,542</b>
Distributions	6	(14,466)	(12,762)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>845</b>	<b>117,780</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Opening net assets attributable to shareholders</b>	<b>910,466</b>	<b>818,180</b>
Amounts receivable on creation of shares	383,667	15,140
Less: Amounts payable on cancellation of shares	(99,816)	(53,034)
	283,851	(37,894)
Dilution adjustment	(8)	1
Change in net assets attributable to shareholders from investment activities	845	117,780
Retained distributions on accumulation shares	14,056	12,399
<b>Closing net assets attributable to shareholders</b>	<b>1,209,210</b>	<b>910,466</b>

Notes to the Financial Statements are on pages 30 to 37.

## Balanced Growth Portfolio

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		1,189,824	850,618
<b>Current assets</b>			
Debtors	8	1,642	2,575
Cash and bank balances	9	5,362	3,673
Cash equivalents‡		15,988	56,105
<b>Total assets</b>		<b>1,212,816</b>	<b>912,971</b>
<b>Liabilities</b>			
Investment liabilities		(1,125)	(726)
<b>Creditors</b>			
Bank overdrafts		(499)	-
Other creditors	10	(1,982)	(1,779)
<b>Total liabilities</b>		<b>(3,606)</b>	<b>(2,505)</b>
<b>Net assets attributable to shareholders</b>		<b>1,209,210</b>	<b>910,466</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 30 to 37.

## Balanced Growth Portfolio

### Notes to the Financial Statements

for the year ended 30th April 2022

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

#### 2. Net capital gains

The net capital gains during the year comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	(3,628)	108,220
Futures contracts	159	9,411
Forward currency contracts	4,321	(70)
Currency gains	7	211
Transaction charges	(9)	(8)
Capital expenses rebates^	15	16
Net capital gains*	865	117,780

\*Includes realised gains of £29,146,000 and unrealised losses of £28,280,000 (30/04/21: realised gains of £87,592,000 and unrealised gains of £30,188,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

^Relating to Class T Reimbursements. These are reimbursements of all capital expenses (excluding ACD periodic charge) and including expenses suffered indirectly through holding other collective investment schemes.

#### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	12,576	11,324
Interest distributions	8,168	7,927
Offshore distributions	126	273
Bank interest	-	1
Registration fee rebate	37	34
AMC rebates	87	135
Total revenue	20,994	19,694

#### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	5,675	6,807
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	130	94
Safe custody fees	6	2
	136	96
<b>Other expenses:</b>		
Audit fee	13	10
Other expenses*	(248)	(379)
	(235)	(369)
Total expenses	5,576	6,534

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**4. Expenses (continued)**

Expenses include irrecoverable VAT.

\*Relating to Class T Reimbursements. These are reimbursements of all expenses (excluding ACD periodic charge) and including expenses suffered indirectly through holding other collective investment schemes.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Corporation tax	818	377
Double tax relief	(2)	(6)
Irrecoverable overseas tax	2	6
Total current tax	818	377
Total taxation (note 5b)	818	377

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	15,264	13,139
Corporation tax of 20% (2021: 20%)	3,053	2,628
<b>Effects of:</b>		
Non-taxable UK dividends*	(2,235)	(2,251)
Irrecoverable overseas tax	2	6
Double tax relief	(2)	(6)
Total tax charge for year (note 5a)	818	377

\*As an authorised OEIC this item is not subject to corporation tax.

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

**(c) Deferred taxation:**

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

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Final	14,056	12,399
Add: Revenue deducted on cancellation of shares	626	521
Deduct: Revenue received on creation of shares	(216)	(158)
Net distribution for the year	14,466	12,762

Details of the distributions per share are set out in the Distribution Tables on page 38.

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**7. Movement between net revenue and net distributions**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
Net revenue after taxation	14,446	12,762
Movement in net income as a result of conversions	20	-
Net distribution for the year	14,466	12,762

**8. Debtors**

	30/04/22	30/04/21
	£000	£000
Sales awaiting settlement	-	1,204
Amounts receivable for issue of shares	217	75
Accrued revenue	1,129	950
AMC rebates receivable	28	9
Corporation tax recoverable	-	330
Income tax receivable	267	7
Funding from ACD re sub-fund merger	1	-
Total debtors	1,642	2,575

**9. Cash and bank balances**

	30/04/22	30/04/21
	£000	£000
Cash and bank balances	1,411	1,665
Amounts held at futures clearing houses and brokers	3,951	2,008
Total cash and bank balances	5,362	3,673

**10. Other creditors**

	30/04/22	30/04/21
	£000	£000
Purchases awaiting settlement	13	-
Amounts payable for cancellation of shares	1,215	1,206
Accrued expenses	415	573
Corporation tax payable	339	-
Total other creditors	1,982	1,779

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**11. Related party transactions**

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £423,627 (30/04/21: £582,538) due at the year end.

The amounts of distributions payable to companies in the Lloyds Banking Group plc which were outstanding at the year end were £3,797,149 (30/04/21: £nil).

Distributions payable to the Lloyds Banking Group plc, parent company of the ACD during the year were £3,797,149 (30/04/21: £nil).

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 149,091,843 shares (30/04/21: 177,789,789 shares) with a cost of £267,522,025 (30/04/21: £308,345,163) and sales of 65,168,034 shares (30/04/21: 271,926,713 shares) with sales proceeds of £128,996,349 (30/04/21: £341,954,434).

The sub-fund has a related party holding of 456,805,106 shares (30/04/21: 372,881,296 shares) and value of £889,304,229 (30/04/21: £732,534,318) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £20,035,108 (30/04/21: £16,911,683).

*Shares held by associates of the ACD*

On 30th April, shares held as a percentage of the sub-fund's value were:

	30/04/22	30/04/21
	%	%
ACD and associates of the ACD	23.74	0.27

**12. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.95	1.50
Share Class G - Accumulation	0.85	0.85
Share Class P - Accumulation	N/A	1.00
Share Class T - Accumulation	0.15	0.15
Share Class X - Accumulation	-	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 23 to 27.

The distribution per share class is given in the Distribution Tables on page 38.

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

	01/05/21				30/04/22
	Opening shares			Shares	Closing shares
	in issue	Creations	Cancellations	converted	in issue
Share Class A - Accumulation	176,872,700	27,819,333	(9,690,000)	13,111,864	208,113,897
Share Class G - Accumulation	8,178,245	310,300	(447,500)	-	8,041,045
Share Class P - Accumulation	24,618,000	866,000	(85,957)	(25,398,043)	-
Share Class T - Accumulation	205,494,450	4,193,000	(22,319,000)	-	187,368,450
Share Class X - Accumulation	-	308,238,469	(24,488,000)	-	283,750,469

**13. Capital commitments and contingent liabilities**

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 18. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts, futures and options. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £360,098 (30/04/21: £168,668).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Australian dollar	(4)	-
Canadian dollar	-	20,189
Euro	28,076	(20,049)
US dollar	7,938	(17,007)
Total	36,010	(16,867)

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

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £1,410,425 (30/04/21: holding £1,664,833) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £3,452,133 (30/04/21: cash £2,007,696), whose rates are based on SONIA or its international equivalent.

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.



## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 14. Risk management policies, derivatives and other financial instruments (continued)

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

Financial derivative instrument exposure - fair value	30/04/22	30/04/21
	£000	£000
Exchange traded derivatives	2,951	1,140
Forward currency contracts	1,836	449
Total Financial derivative instrument exposure	<b>4,787</b>	<b>1,589</b>

Counterparties to financial derivative instruments and efficient portfolio management techniques	30/04/22	30/04/21
	£000	£000
Bank of America - Forward currency contracts	1,156	329
Barclays Bank - Forward currency contracts	20	-
Citibank - Forward currency contracts	(326)	-
HSBC Bank - Forward currency contracts	8	(21)
JPMorgan Chase Bank - Forward currency contracts	40	-
Morgan Stanley - Forward currency contracts	4	-
State Street Bank - Forward currency contracts	4	45
Merrill Lynch - Futures contracts	2,755	510
Total counterparty exposure	<b>3,661</b>	<b>863</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

Collateral	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	3,497	1,466
EUR Cash - Merrill Lynch	455	-
USD Cash - Merrill Lynch	(499)	542

No collateral was received in the current or prior year.

## (d) Liquidity risk

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

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

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

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £60,234,378 (30/04/21: £45,299,848).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	121.02	112.61
Commitment leverage	110.53	109.27

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	1,048,758	647,133	767,446	679,533
<b>Total net trades in the year after transaction costs</b>	<b>1,048,758</b>	<b>647,133</b>	<b>767,446</b>	<b>679,533</b>

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Taxes and other expenses	0.00	0%

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (30/04/21: 0.00%).

**16. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	17,680	(196)	1,140	(630)
Level 2	1,188,132	(929)	905,583	(96)
Level 3	-	-	-	-
Total fair value	1,205,812	(1,125)	906,723	(726)

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

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

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

## Balanced Growth Portfolio

### Distribution Tables

for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st May 2021

Group 2 Final Shares purchased on or between 1st May 2021 and 30th April 2022

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	1.6693	-	1.6693	1.5998
Group 2	(p)	(p)	(p)	(p)
Final	1.0510	0.6183	1.6693	1.5998

#### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	1.1221	-	1.1221	1.6026
Group 2	(p)	(p)	(p)	(p)
Final	0.6972	0.4249	1.1221	1.6026

#### Share Class P - Accumulation\*

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	-	-	-	1.3671
Group 2	(p)	(p)	(p)	(p)
Final	-	-	-	1.3671

#### Share Class T - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	3.5727	-	3.5727	4.4290
Group 2	(p)	(p)	(p)	(p)
Final	1.9424	1.6303	3.5727	4.4290

**Distribution Tables****(continued)**

for the year ended 30th April 2022

**Share Class X - Accumulation\*\***

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	1.3382	-	1.3382	-
Group 2	(p)	(p)	(p)	(p)
Final	0.7674	0.5708	1.3382	-

\*Share Class P - Accumulation was closed on 21st June 2021.

\*\*Share Class X - Accumulation was launched on 25th September 2021.

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

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

Final - 77.32% of the dividend, is received as non-taxable income.

Final - 22.59% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.09% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

# Balanced Income Portfolio

## Investment Markets Overview

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for the year ended 30th April 2022

### Investment Objective

To provide an income and the potential for capital growth by investing in regulated collective investment schemes.

These collective investment schemes will provide exposure to fixed interest securities, together with exposure to a mix of asset classes (including shares, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

### Investment Policy

Between 45% and 80% of the Fund will provide exposure to fixed interest securities. This will include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. It may also include overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

Between 10% and 40% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund which may be actively or passively managed\*\*\* and may include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors. Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Balanced. Our Balanced funds aim to hold a mixture of shares and bonds typically on a relatively equal basis. Where permitted, these funds will have some exposures to property and absolute return strategies and other assets.

Our Balanced funds therefore aim to have a balanced mix of higher and lower risk assets and therefore a balance between return potential and the lower volatility offered by lower risk assets.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 0-35% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>

## Investment Markets Overview

(continued)

for the year ended 30th April 2022

## Synthetic Risk and Reward Indicator

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

The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 20th January 2022.	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						
	1	2	3	4	5	6	7

## Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Balanced Income Portfolio A Accumulation	(1.01)	11.28	(4.24)	2.03	2.57

Source: Financial Express for Balanced Income Portfolio. Basis: Gross revenue reinvested and net of expenses.

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

The Portfolio achieved a negative performance in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Fixed income holdings were the primary driver of negative performance over the period. Investment grade corporate bonds struggled in particular. Central banks have turned more hawkish, and markets have subsequently priced in a faster pace of monetary normalisation. The allocation to equities contributed positively, supported by the allocation to global and UK stocks. Alternative assets also added value, led by the allocation to property and commodities.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022

# Balanced Income Portfolio

## Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.52%, 30/04/21 99.83%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	5,924,207	6,106	1.92
BNY Mellon Global Absolute Return Fund W Acc	2,391,079	3,012	0.95
HBOS Corporate Bond Fund I Gross Inc†	176,875,679	38,594	12.16
HBOS UK Property Fund I Inc†	9,531,506	11,705	3.69
Nordea 1 Diversified Return Fund BD GBP Acc	24,529	3,209	1.01
Payden Absolute Return Bond Fund GBP Acc	1,599,413	18,101	5.70
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)∅	85,532	10,788	3.40
Schroder Sterling Liquidity Fund X Inc‡∅	5,350,521	5,351	1.69
Schroder Sterling Short Duration Bond Fund X Inc‡∅	246,343	24,617	7.75
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	10,484,041	12,382	3.90
Scottish Widows Corporate Bond Fund W Gross Acct†	28,029,230	37,559	11.83
Scottish Widows Emerging Markets Fund X Acct†	1,208,562	3,475	1.09
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	2,449,501	3,642	1.15
Scottish Widows Fundamental Index Global Equity Fund X Acct†	1,331,876	3,539	1.11
Scottish Widows Gilt Fund W Gross Acct†	4,739,058	5,834	1.84
Scottish Widows Global Growth Fund X Acct†	9,921,406	30,538	9.62
Scottish Widows High Income Bond Fund X Gross Acct†	14,731,704	39,849	12.55
Scottish Widows International Bond Fund W Gross Acct†	7,680,795	10,077	3.17
Scottish Widows UK Equity Income Fund X Acct†	685,209	43,689	13.76
		312,067	98.29
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	167,669	3,917	1.23
		3,917	1.23
<b>TOTAL FINANCIALS</b>		<b>315,984</b>	<b>99.52</b>
<b>DERIVATIVES (0.24%, 30/04/21 0.09%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR16,699,000 for GBP13,877,537 Settlement 24/05/2022		154	0.05
Bought USD8,212,050 for GBP6,294,903 Settlement 24/05/2022		246	0.08
Bought USD1,741,950 for GBP1,350,516 Settlement 24/05/2022		37	0.01
Sold EUR866,565 for GBP730,688 Settlement 24/05/2022		3	0.01
Sold EUR825,300 for GBP696,135 Settlement 24/05/2022		3	0.00
Sold EUR825,300 for GBP696,223 Settlement 24/05/2022		3	0.00
Sold EUR825,300 for GBP696,354 Settlement 24/05/2022		3	0.00
Sold EUR825,300 for GBP696,430 Settlement 24/05/2022		3	0.00
Sold EUR742,770 for GBP626,861 Settlement 24/05/2022		3	0.00
Sold EUR829,426 for GBP699,116 Settlement 24/05/2022		2	0.00
Sold EUR829,427 for GBP699,325 Settlement 24/05/2022		2	0.00
Sold EUR817,047 for GBP689,040 Settlement 24/05/2022		2	0.00
Sold EUR433,282 for GBP365,027 Settlement 24/05/2022		1	0.00
Sold EUR433,283 for GBP365,170 Settlement 24/05/2022		1	0.00
Sold USD9,048,000 for GBP6,951,711 Settlement 24/05/2022		(255)	(0.08)
		208	0.07



## Balanced Income Portfolio

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Australian Government Bond 10 Year Futures June 2022	68	(1)	0.00
EURO STOXX 50 Index Futures June 2022	(138)	(53)	(0.02)
FTSE 100 Index Futures June 2022	84	73	0.02
MSCI World Energy Index Futures June 2022	59	77	0.03
S&P 500 E Mini Index Futures June 2022	(54)	475	0.15
US Treasury Note 10 Year Ultra Bond Futures June 2022	(48)	(20)	(0.01)
		551	0.17
<b>TOTAL DERIVATIVES</b>		<b>759</b>	<b>0.24</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>316,743</b>	<b>99.76</b>
<b>Net other assets</b>		<b>753</b>	<b>0.24</b>
<b>Total net assets</b>		<b>317,496</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

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

<sup>‡</sup>Cash equivalents.

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

<sup>#</sup>Exchange Traded Funds.

## Balanced Income Portfolio

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	41,418	Schroder Sterling Liquidity Fund X Inc†‡	48,869
Schroder Sterling Short Duration Bond Fund X Inc†‡	13,388	Scottish Widows International Bond Fund W Gross Acct†	8,794
Scottish Widows International Bond Fund W Gross Acct†	9,362	Schroder Sterling Short Duration Bond Fund X Inc†‡	7,180
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	9,293	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	7,178
BlackRock ACS Climate Transition World Equity Fund X0 GBP Acc	6,624	Scottish Widows Global Growth Fund X Acct†	7,106
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	6,616	BlackRock ACS Climate Transition World Equity Fund X0 GBP Acc	7,030
Scottish Widows Corporate Bond Fund W Gross Acct†	2,600	BlackRock ACS Climate Transition World Equity Fund X1 GBP Acc	6,624
HBOS Corporate Bond Fund I Gross Inc†	2,276	Scottish Widows UK Equity Income Fund X Acct†	6,623
Scottish Widows High Income Bond Fund X Gross Acct†	1,731	Scottish Widows Corporate Bond 1 Fund W Gross Acct†	4,143
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)‡	1,029	HBOS UK Property Fund I Inc†	3,034

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

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Funds.

## Balanced Income Portfolio

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	256.53	230.47	240.72
Return before operating charges*	0.41	29.43	(6.96)
Operating charges	(2.69)	(3.37)	(3.29)
Return after operating charges*	(2.28)	26.06	(10.25)
Distributions	(3.41)	(2.07)	(5.11)
Retained distributions on accumulation shares	3.41	2.07	5.11
Closing net asset value per share	254.25	256.53	230.47
*after direct transaction cost of:	0.01	0.02	0.00
<b>Performance</b>			
Return after charges^	(0.89)%	11.31%	(4.26)%
<b>Other information</b>			
Closing net asset value (£000)	247,212	259,957	250,981
Closing number of shares	97,233,915	101,334,517	108,897,717
Operating charges#Δ	1.03%	1.38%	1.36%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	267.40	256.70	253.20
Lowest share price	252.00	225.60	208.60

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.98% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 41 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Income Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	115.36	104.54	111.53
Return before operating charges*	0.18	13.28	(3.13)
Operating charges	(1.17)	(1.52)	(1.51)
Return after operating charges*	(0.99)	11.76	(4.64)
Distributions	(1.53)	(0.94)	(2.35)
Closing net asset value per share	112.84	115.36	104.54
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	(0.86)%	11.25%	(4.16)%
<b>Other information</b>			
Closing net asset value (£000)	54,535	30,255	29,943
Closing number of shares	48,332,713	26,226,990	28,643,790
Operating charges#Δ	1.01%	1.38%	1.36%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	119.60	115.70	116.10
Lowest share price	112.30	102.30	95.33

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.98% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Income Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class B - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	257.39	231.24	241.53
Return before operating charges*	0.45	29.53	(6.99)
Operating charges	(0.84)	(3.38)	(3.30)
Return after operating charges*	(0.39)	26.15	(10.29)
Distributions	-	(2.07)	(5.12)
Retained distributions on accumulation shares	-	2.07	5.12
Return to shareholder as a result of class closure	(257.00)	-	-
Closing net asset value per share	-	257.39	231.24
*after direct transaction cost of:	0.00	0.02	0.00
<b>Performance</b>			
Return after charges	-	11.31	(4.26)
<b>Other information</b>			
Closing net asset value (£000)	-	2,024	1,978
Closing number of shares	-	786,459	855,459
Operating charges#	-	1.38%	1.36%
Direct transaction costs	0.0%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	-	257.60	254.00
Lowest share price	-	226.40	209.30

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class B Accumulation was closed on 21st June 2021.

## Balanced Income Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class B - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	115.36	104.54	111.53
Return before operating charges*	0.21	13.28	(3.13)
Operating charges	(0.37)	(1.52)	(1.51)
Return after operating charges*	(0.16)	11.76	(4.64)
Distributions	-	(0.94)	(2.35)
Return to shareholder as a result of class closure	(115.20)	-	-
Closing net asset value per share	-	115.36	104.54
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	-	11.25	(4.16)
<b>Other information</b>			
Closing net asset value (£000)	-	30,634	30,954
Closing number of shares	-	26,554,266	29,610,066
Operating charges#	-	1.38%	1.36%
Direct transaction costs	0.0%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	-	115.70	116.10
Lowest share price	-	102.30	95.33

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class B Income was closed on 21st June 2021.

## Balanced Income Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	115.24	103.01	107.06
Return before operating charges*	0.18	13.20	(3.12)
Operating charges	(1.03)	(0.97)	(0.93)
Return after operating charges*	(0.85)	12.23	(4.05)
Distributions	(1.71)	(1.47)	(2.82)
Retained distributions on accumulation shares	1.71	1.47	2.82
Closing net asset value per share	114.39	115.24	103.01
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	(0.74)%	11.87%	(3.78)%
<b>Other information</b>			
Closing net asset value (£000)	12,642	13,455	11,506
Closing number of shares	11,052,400	11,675,700	11,169,300
Operating charges#	0.88%	0.88%	0.86%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	120.20	115.30	113.00
Lowest share price	113.40	100.90	93.18

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Balanced Income Portfolio

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	104.95	95.10	101.46
Return before operating charges*	0.19	12.09	(2.85)
Operating charges	(0.93)	(0.89)	(0.87)
Return after operating charges*	(0.74)	11.20	(3.72)
Distributions	(1.55)	(1.35)	(2.64)
Closing net asset value per share	102.66	104.95	95.10
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	(0.71)%	11.78%	(3.67)%
<b>Other information</b>			
Closing net asset value (£000)	3,107	3,507	2,814
Closing number of shares	3,026,700	3,341,700	2,958,500
Operating charges#	0.88%	0.88%	0.86%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	108.80	105.30	105.70
Lowest share price	102.20	93.12	86.79

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.



## Balanced Income Portfolio

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(7,019)	32,911
Revenue	3	7,525	7,118
Expenses	4	(3,050)	(4,155)
Interest payable and similar charges		(53)	(8)
Net revenue before taxation		4,422	2,955
Taxation	5	-	-
Net revenue after taxation		4,422	2,955
<b>Total return before distributions</b>		<b>(2,597)</b>	<b>35,866</b>
Distributions	6	(4,422)	(2,955)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,019)</b>	<b>32,911</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>339,832</b>	<b>328,176</b>
Amounts receivable on creation of shares	1,501	2,207
Less: Amounts payable on cancellation of shares	(20,389)	(25,819)
	(18,888)	(23,612)
Dilution adjustment	1	-
Change in net assets attributable to shareholders from investment activities	(7,019)	32,911
Retained distributions on accumulation shares	3,559	2,335
Unclaimed distributions	11	22
<b>Closing net assets attributable to shareholders</b>	<b>317,496</b>	<b>339,832</b>

Notes to the Financial Statements are on pages 53 to 60.

## Balanced Income Portfolio

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		311,721	308,546
<b>Current assets</b>			
Debtors	7	104	11
Cash and bank balances	8	1,348	922
Cash equivalents‡		5,351	31,263
<b>Total assets</b>		<b>318,524</b>	<b>340,742</b>
<b>Liabilities</b>			
Investment liabilities		(329)	(259)
<b>Creditors</b>			
Bank overdrafts		(18)	-
Distribution payable		(264)	(116)
Other creditors	9	(417)	(535)
<b>Total liabilities</b>		<b>(1,028)</b>	<b>(910)</b>
<b>Net assets attributable to shareholders</b>		<b>317,496</b>	<b>339,832</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 53 to 60.

## Balanced Income Portfolio

### Notes to the Financial Statements

for the year ended 30th April 2022

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

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

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	(7,913)	28,527
Futures contracts	(371)	4,220
Forward currency contracts	1,302	25
Currency (losses)/gains	(28)	78
Transaction charges	(9)	(8)
Compensation for error <sup>◇</sup>	-	69
Net capital (losses)/gains*	(7,019)	32,911

\*Includes realised gains of £4,366,000 and unrealised losses of £11,385,000 (30/04/21: realised gains of £37,209,000 and unrealised losses of £4,298,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

<sup>◇</sup>Prior year compensation received from Schroder Investment Management Limited due to an error of allocation on the portfolio.

#### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	2,997	2,069
Interest distributions	4,404	4,740
Offshore distributions	68	154
Registration fee rebate	26	24
AMC rebates	30	131
Total revenue	7,525	7,118

#### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	2,999	4,108
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	36	36
Safe custody fees	2	1
	38	37
<b>Other expenses:</b>		
Audit fee	13	10
Total expenses	3,050	4,155

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**5. Taxation****(a) Analysis of charge in year:**

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

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	4,422	2,955
Corporation tax of 20% (2021: 20%)	884	591
<b>Effects of:</b>		
Non-taxable UK dividends*	(529)	(414)
Tax deductible interest distributions	(355)	(177)
Total tax charge for year (note 5a)	-	-

\*As an authorised OEIC this item is not subject to corporation tax.

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

**(c) Deferred taxation:**

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

**6. Distributions**

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
First interim	272	470
Second interim	1,655	1,649
Third interim	990	160
Final	1,449	611
	4,366	2,890
Add: Revenue deducted on cancellation of shares	103	71
Deduct: Revenue received on creation of shares	(47)	(6)
Net distributions for the year	4,422	2,955

Details of the distributions per share are set out in the Distribution Tables on pages 61 to 63.

**7. Debtors**

	30/04/22 £000	30/04/21 £000
Sales awaiting settlement	-	2
Accrued revenue	26	2
AMC rebates receivable	9	7
Income tax receivable	69	-
Total debtors	104	11

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**8. Cash and bank balances**

	30/04/22	30/04/21
	£000	£000
Cash and bank balances	364	164
Amounts held at futures clearing houses and brokers	984	758
Total cash and bank balances	1,348	922

**9. Other creditors**

	30/04/22	30/04/21
	£000	£000
Purchases awaiting settlement	9	2
Amounts payable for cancellation of shares	176	178
Accrued expenses	232	355
Total other creditors	417	535

**10. Related party transactions**

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £215,100 (30/04/21: 341,624) due at the year end.

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 18,984,348 shares (30/04/21: 237,405,812 shares) with a cost of £16,414,166 (30/04/21: £171,954,098) and sales of 19,437,619 shares (30/04/21: 52,213,422 shares) with sales proceeds of £36,232,664 (30/04/21: £152,672,425).

The sub-fund has a related party holding of 267,668,566 shares (30/04/21: 268,121,837 shares) and value of £240,882,880 (30/04/21: £263,089,377) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £7,357,858 (30/04/21: £5,064,666).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**11. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.85	1.25
Share Class A - Income	0.85	1.25
Share Class B - Accumulation	N/A	1.25
Share Class B - Income	N/A	1.25
Share Class P - Accumulation	0.75	0.75
Share Class P - Income	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 45 to 50.

The distributions per share class are given in the Distribution Tables on pages 61 to 63.

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 11. Share classes (continued)

## Reconciliation of the shares movement in the year:

	01/05/21 Opening shares in issue	Creations	Cancellations	Shares converted	30/04/22 Closing shares in issue
Share Class A - Accumulation	101,334,517	147,500	(5,029,000)	780,898	97,233,915
Share Class A - Income	26,226,990	350,500	(4,486,500)	26,241,723	48,332,713
Share Class B - Accumulation	786,459	-	(8,265)	(778,194)	-
Share Class B - Income	26,554,266	-	(312,543)	(26,241,723)	-
Share Class P - Accumulation	11,675,700	498,200	(1,121,500)	-	11,052,400
Share Class P - Income	3,341,700	164,500	(479,500)	-	3,026,700

## 12. Capital commitments and contingent liabilities

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 40. The risks inherent in the sub-fund's investment portfolio are as follows:

## (a) Currency risk

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts and futures. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £84,225 (30/04/21: £61,099).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Australian dollar	(1)	-
Canadian dollar	-	7,661
Euro	7,189	(5,541)
US dollar	1,235	(8,230)
Total	8,423	(6,110)

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**13. Risk management policies, derivatives and other financial instruments (continued)***(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in multi-manager regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating capital growth.

The sub-fund's net cash holding of £363,576 (30/04/21: £164,085) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £965,835 (30/04/21: cash £758,215), whose rates are based on SONIA or its international equivalent.

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

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

The Fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	625	431
Forward currency contracts	463	138
<b>Total Financial derivative instrument exposure</b>	<b>1,088</b>	<b>569</b>

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

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

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	30/04/22	30/04/21
	£000	£000
Bank of America - Forward currency contracts	286	-
Barclays Bank - Forward currency contracts	5	-
Citibank - Forward currency contracts	(98)	-
HSBC Bank - Forward currency contracts	2	-
JPMorgan Chase Bank - Forward currency contracts	10	-
Morgan Stanley - Forward currency contracts	1	-
State Street Bank and Trust Company - Forward currency contracts	1	(7)
Merrill Lynch - Futures contracts	552	193
Merrill Lynch - Forward currency contracts	-	124
Total counterparty exposure	<b>759</b>	<b>310</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

**Collateral**

	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	840	503
CAD Cash - Merrill Lynch	-	50
EUR Cash - Merrill Lynch	144	-
USD Cash - Merrill Lynch	(18)	205

No collateral was received in the current or prior year.

*(d) Liquidity risk*

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

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

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



## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**13. Risk management policies, derivatives and other financial instruments (continued)**

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £15,837,162 (30/04/21: £16,977,530).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	120.38	111.92
Commitment leverage	109.99	109.62

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**14. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	95,189	306,076	116,169	328,546
<b>Taxes and other expenses</b>				
Collective Investment Schemes	-	19	-	-
<b>Total net trades in the year after transaction costs</b>	<b>95,189</b>	<b>306,095</b>	<b>116,169</b>	<b>328,546</b>

**Total transaction cost expressed as a percentage of asset class trades**

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%	%	%
<b>Taxes and other expenses</b>				
Collective Investment Schemes	-	0.01	-	-

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**14. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Taxes and other expenses	0.00	0.01

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (30/04/21: 0.00%).

**15. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	4,542	(74)	431	(238)
Level 2	312,530	(255)	339,378	(21)
Level 3	-	-	-	-
Total fair value	317,072	(329)	339,809	(259)

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

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

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

## Balanced Income Portfolio

### Distribution Tables

for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st May 2021

Second interim Shares purchased prior to 1st August 2021

Third interim Shares purchased prior to 1st November 2021

Final Shares purchased prior to 1st February 2022

Group 2 First interim Shares purchased on or between 1st May 2021 and 31st July 2021

Second interim Shares purchased on or between 1st August 2021 and 31st October 2021

Third interim Shares purchased on or between 1st November 2021 and 31st January 2022

Final Shares purchased on or between 1st February 2022 and 30th April 2022

#### Share Class A - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.1982	-	0.1982	0.3234
Second interim	1.2808	-	1.2808	1.1944
Third interim	0.7740	-	0.7740	0.1035
Final	1.1561	-	1.1561	0.4460
Group 2	(p)	(p)	(p)	(p)
First interim	-	0.1982	0.1982	0.3234
Second interim	0.2036	1.0772	1.2808	1.1944
Third interim	0.0536	0.7204	0.7740	0.1035
Final	0.1664	0.9897	1.1561	0.4460

#### Share Class A - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.0891	-	0.0891	0.1466
Second interim	0.5755	-	0.5755	0.5410
Third interim	0.3461	-	0.3461	0.0466
Final	0.5154	-	0.5154	0.2009
Group 2	(p)	(p)	(p)	(p)
First interim	-	0.0891	0.0891	0.1466
Second interim	0.1796	0.3959	0.5755	0.5410
Third interim	0.0082	0.3379	0.3461	0.0466
Final	0.0443	0.4711	0.5154	0.2009

## Balanced Income Portfolio

### Distribution Tables

(continued)

for the year ended 30th April 2022

#### Share Class B - Accumulation\*

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
	(p)	(p)	(p)	(p)
Group 1				
First interim	-	-	-	0.3244
Second interim	-	-	-	1.1985
Third interim	-	-	-	0.1038
Final	-	-	-	0.4475
Group 2	(p)	(p)	(p)	(p)
First interim	-	-	-	0.3244
Second interim	-	-	-	1.1985
Third interim	-	-	-	0.1038
Final	-	-	-	0.4475

#### Share Class B - Income\*\*

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
	(p)	(p)	(p)	(p)
Group 1				
First interim	-	-	-	0.1466
Second interim	-	-	-	0.5410
Third interim	-	-	-	0.0466
Final	-	-	-	0.2009
Group 2	(p)	(p)	(p)	(p)
First interim	-	-	-	0.1466
Second interim	-	-	-	0.5410
Third interim	-	-	-	0.0466
Final	-	-	-	0.2009

#### Share Class P - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
	(p)	(p)	(p)	(p)
Group 1				
First interim	0.1800	-	0.1800	0.2772
Second interim	0.6052	-	0.6052	0.6683
Third interim	0.3787	-	0.3787	0.1856
Final	0.5479	-	0.5479	0.3415
Group 2	(p)	(p)	(p)	(p)
First interim	-	0.1800	0.1800	0.2772
Second interim	0.1432	0.4620	0.6052	0.6683
Third interim	0.0842	0.2945	0.3787	0.1856
Final	0.1898	0.3581	0.5479	0.3415

**Distribution Tables****(continued)**

for the year ended 30th April 2022

**Share Class P - Income**

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.1639	-	0.1639	0.2559
Second interim	0.5503	-	0.5503	0.6154
Third interim	0.3426	-	0.3426	0.1697
Final	0.4940	-	0.4940	0.3120
Group 2	(p)	(p)	(p)	(p)
First interim	0.0089	0.1550	0.1639	0.2559
Second interim	0.1031	0.4472	0.5503	0.6154
Third interim	0.2322	0.1104	0.3426	0.1697
Final	0.1821	0.3119	0.4940	0.3120

\*Share Class B - Accumulation was closed on 21st June 2021.

\*\*Share Class B - Income was closed on 21st June 2021.

## Cash Fund

### Investment Markets Overview

for the year ended 30th April 2022

#### Investment Objective

To provide a return in line with money markets\* and with a high level of capital security by investing in short-term money market assets.

The benchmark index for the Fund is the Sterling Overnight Index Average (SONIA) (the "Index"). The Fund is actively managed by the Investment Adviser who chooses investments with the aim of outperforming the Index by 0.1% \*\* per annum on a rolling 3 year basis, before deduction of fees.

The Fund is a short-term Variable Net Asset Value (VNAV) money market fund, which is a form of qualifying money market fund. It will invest in assets in which a short term VNAV fund is authorised to invest and accordingly, its investment objective and policy meets the conditions specified in the definition of qualifying money market fund.

#### Investment Policy

The Fund may invest in bank and building society deposits, as well as certificates of deposit.

The Fund may also invest in short dated gilts and treasury bills.

The net asset value of the Fund will fluctuate daily. The Fund's Share price is calculated in accordance with the Money Market Fund Regulation.

\*The money market is where financial institutions and companies access short-term borrowing and lending.

\*\* Fees may exceed the Fund's outperformance target relative to the Index. For Class A share classes, the Fund will underperform the Index after deduction of fees even if its outperformance target is achieved.

SONIA has been selected as an appropriate benchmark as it reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

Derivatives may be used for efficient portfolio management purposes to hedge interest rates and currency risks.

#### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 1* because it has experienced very low levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 20th January 2022.	Typically lower rewards, lower risks							Typically higher rewards, higher risks	
	←							→	
	1	2	3	4	5	6	7		

#### Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Cash Fund A Accumulation	(0.40)	(0.45)	0.11	0.17	(0.23)
SONIA+ 0.1%†	0.24	0.16	0.78	0.72	0.42

Source: Financial Express for Cash Fund. Basis: Gross revenue reinvested and net of expenses.

Source: Financial Express for Sterling Overnight Index Average (SONIA) + 0.1%. Basis: Total return net of tax.

†Please note that the ACD changed the benchmark and increased the outperformance target for the Cash Fund during June 2021. The returns shown in the performance table above reflect past performance of the Fund and that of the Fund's current benchmark index and outperformance target. The Index plus outperformance target and the Fund performance figures are shown on an annual basis. In practice the Investment Adviser's outperformance target applies over rolling 3 year periods, as explained in the 'Investment Objective'. In addition the Index plus outperformance target is calculated without deduction of charges whereas the performance of the Fund is calculated after deduction of charges.

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

The benchmark was created using index data. The index provider does not warrant the completeness, accuracy or timeliness of the data or results to be obtained by using the data and fund performance is not calculated by the Index provider. For full index disclaimer, warranty or copyright details, please refer to the fund's prospectus.

for the year ended 30th April 2022

**Investment Review (continued)**

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

The Fund's net asset value (NAV) steadily increased throughout the period to £115 million. The portfolio continues to be well diversified and maintains the majority of its holdings in certificates of deposits. We continue to allocate to high quality pre-approved counterparties, including Cooperative Rabobank, MUFG Bank and Nationwide Building Society.

The period under review has been a volatile time for financial markets. The main market development has been monetary tightening by the Bank of England (BoE). Following on from December's 15 basis point rise, the base rate was lifted by a further 25 basis points in both February and March, to leave it at the level it was immediately prior to the start of the pandemic. The Bank's moves came against the backdrop of rapidly climbing inflation, close to three times the BoE target. This was largely driven by the surge in energy costs, which had begun in the summer of 2021 and was fuelled further by threats to Europe's energy security in the wake of Russia's invasion of Ukraine at the end of February.

By the end of the period there was strong speculation that the BoE would raise interest rates once again at its meeting in early May, even though this increased the odds of the economy slipping into recession. The portfolio's weighted average life (the average time until the principal on the fund's assets is repaid) decreased to 45 days from 55 days over the 12-month period. As the market has responded to rising interest rates, we continue to look for opportunities to increase the yield of the fund: we have been switching out of lower-yielding instruments and been able to increase the effective yield from 0.08% to 0.97%.

Schroder Investment Management Limited  
May 2022

# Cash Fund

## Portfolio Statement

as at 30th April 2022

	Nominal Values	Market Value £000	Total Net Assets %
<b>CASH EQUIVALENTS (41.05%, 30/04/21 103.99%)</b>			
<b>Certificates of Deposit</b>			
Bank of Tokyo Mitsubishi 0.68% 03/05/2022	GBP2,536,842	2,537	2.21
BNP Paribas 0.67% 03/05/2022	GBP4,034,447	4,034	3.51
Bred Banque Populaire 0.68% 03/05/2022	GBP6,003,617	6,004	5.22
Cooperatieve Rabobank 0.7% 03/05/2022	GBP6,043,916	6,044	5.25
Credit Agricole 0.79% 17/05/2022	GBP2,000,000	2,000	1.74
Dz Bank 0.66% 03/05/2022	GBP2,004,609	2,005	1.74
ING Bank 0% 09/05/2022	GBP2,500,000	2,499	2.17
Landesbank BadenWuerttemberg 0.71% 03/05/2022	GBP8,013,664	8,014	6.97
Mizuho Bank 0.71% 05/05/2022	GBP5,000,000	5,000	4.35
Mizuho International 0.66% 03/05/2022	GBP2,033,242	2,033	1.77
Nationwide Building Society 0.69% 03/05/2022	GBP5,000,000	5,000	4.35
Natixis 0.66% 03/05/2022	GBP2,033,230	2,033	1.77
		47,203	41.05
<b>TOTAL CASH EQUIVALENTS</b>		<b>47,203</b>	<b>41.05</b>
<b>FIXED INCOME (59.01%, 30/04/21 1.04%)</b>			
<b>Certificates of Deposit</b>			
ABN AMRO Bank 0% 03/05/2022	GBP1,000,000	1,000	0.87
ABN AMRO Bank 0% 27/06/2022	GBP1,500,000	1,497	1.30
ABN AMRO Bank 0% 05/07/2022	GBP1,500,000	1,497	1.30
ABN AMRO Bank 0% 08/07/2022	GBP1,000,000	998	0.87
Bank of Nova Scotia 0.69% 16/05/2022	GBP2,000,000	2,000	1.74
Bank of Tokyo Mitsubishi 1.14% 14/06/2022	GBP2,000,000	2,000	1.74
Bank of Tokyo Mitsubishi 1.09% 06/07/2022	GBP1,000,000	1,000	0.87
Banque Federative Du Credit Mutuel 0% 11/07/2022	GBP2,000,000	1,995	1.73
Barclays Bank 0% 08/06/2022	GBP1,000,000	1,000	0.87
Barclays Bank 0% 21/06/2022	GBP2,000,000	1,998	1.74
Barclays Bank 0% 01/07/2022	GBP2,000,000	1,997	1.74
BPCE 0.28% 10/05/2022	GBP1,000,000	1,000	0.87
BPCE 0.84% 06/06/2022	GBP1,000,000	1,000	0.87
Citibank 0% 04/07/2022	GBP5,000,000	4,989	4.34
Commonwealth Bank Of Australia 0% 22/09/2022	GBP2,000,000	1,989	1.73
Cooperatieve Rabobank 0% 10/05/2022	GBP1,000,000	1,000	0.87
Cooperatieve Rabobank 0% 25/05/2022	GBP1,000,000	999	0.87
DNB Bank 0% 13/09/2022	GBP1,000,000	995	0.87
First Abu Dhabi Bank 0% 19/07/2022	GBP1,000,000	997	0.87
Goldman Sachs 0% 29/07/2022	GBP1,000,000	997	0.87
Goldman Sachs 0% 05/10/2022	GBP1,000,000	993	0.86
Handelsbanken 0% 05/08/2022	GBP1,000,000	997	0.87
MUFG Bank 0.7% 09/05/2022	GBP500,000	500	0.43
MUFG Bank 1.09% 13/07/2022	GBP1,000,000	1,000	0.87
National Australia Bank 0% 08/06/2022	GBP500,000	500	0.43
National Australia Bank 1.52% 09/09/2022	GBP1,000,000	1,000	0.87
National Australia Bank 0% 06/10/2022	GBP2,000,000	1,987	1.73
NatWest 0% 16/05/2022	GBP1,000,000	1,000	0.87
Nordea Bank 0% 05/07/2022	GBP2,000,000	1,997	1.74
Nordea Bank 0% 13/07/2022	GBP1,000,000	998	0.87
Nordea Bank 0% 24/08/2022	GBP2,000,000	1,991	1.73



# Cash Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Nominal Values	Market Value £000	Total Net Assets %
Qatar National Bank 0% 04/05/2022	GBP1,000,000	1,000	0.87
Qatar National Bank 0% 08/07/2022	GBP1,000,000	998	0.87
Qatar National Bank 0% 09/08/2022	GBP1,000,000	996	0.87
Qatar National Bank 0% 09/09/2022	GBP1,000,000	994	0.86
Qatar National Bank 0% 03/11/2022	GBP1,000,000	991	0.86
Rabobank International 0% 11/10/2022	GBP500,000	497	0.43
Rabobank International 0% 18/10/2022	GBP1,500,000	1,489	1.29
Santander UK 0.14% 09/05/2022	GBP2,000,000	2,000	1.74
Santander UK 0% 06/06/2022	GBP1,000,000	999	0.87
Skandinaviska Enskilda Banken 0.23% 01/06/2022	GBP1,500,000	1,499	1.30
Societe Generale 0.79% 08/06/2022	GBP2,500,000	2,497	2.17
Sumitomo Mitsui Banking 0% 06/06/2022	GBP1,000,000	999	0.87
Sumitomo Mitsui Banking 0% 09/06/2022	GBP1,000,000	999	0.87
Sumitomo Mitsui Banking 0% 07/07/2022	GBP1,000,000	998	0.87
Sumitomo Mitsui Banking 0% 13/07/2022	GBP2,000,000	1,995	1.73
Toronto-Dominion Bank 1.53% 13/09/2022	GBP1,000,000	1,001	0.87
UBS 1.61% 28/10/2022	GBP1,500,000	1,500	1.30
		65,363	56.84
<b>Government Bonds</b>			
UK Treasury 0% 09/05/2022	GBP2,500,000	2,499	2.17
		2,499	2.17
<b>TOTAL FIXED INCOME</b>		<b>67,862</b>	<b>59.01</b>
<b>Portfolio of investments</b>		<b>115,065</b>	<b>100.06</b>
<b>Net other liabilities</b>		<b>(71)</b>	<b>(0.06)</b>
<b>Total net assets</b>		<b>114,994</b>	<b>100.00</b>

## Cash Fund

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Total purchases</b>		<b>Total sales</b>	
Cooperatieve Rabobank	1,282,617	Cooperatieve Rabobank	1,284,607
Landesbank BadenWuerttemberg	1,138,243	Landesbank BadenWuerttemberg	1,132,230
Bank of Tokyo Mitsubishi	827,724	Bank of Tokyo Mitsubishi	826,718
Dz Bank	652,879	Dz Bank	652,875
Natixis	456,352	Natixis	458,350
BNP Paribas	378,851	BNP Paribas	380,847
Mizuho International	335,382	Mizuho International	333,879
Credit Agricole	259,024	Credit Agricole	263,055
Mizuho Bank	254,000	Mizuho Bank	254,000
Nationwide Building Society	213,500	Nationwide Building Society	214,500
Sumitomo Mitsui Banking	161,492	Sumitomo Mitsui Banking	165,511
Bred Banque Populaire	146,058	Bred Banque Populaire	140,054
Barclays Bank	111,987	Barclays Bank	112,003
ABN AMRO Bank	14,485	ABN AMRO Bank	14,500
Societe Generale	12,499	First Abu Dhabi Bank	12,700
Citibank	9,988	Santander UK	11,099
Santander UK	9,097	Lloyds Bank†	10,000
Nordea Bank	8,978	Societe Generale	10,000
First Abu Dhabi Bank	8,694	Nordea Bank	9,000
BPCE	8,000	Banque Federative Du Credit Mutuel	8,000
Qatar National Bank	7,972	BPCE	7,000
MUFG Bank	7,500	Goldman Sachs	6,500
Banque Federative Du Credit Mutuel	6,990	MUFG Bank	6,000
National Australia Bank	6,485	Skandinaviska Enskilda Banken	6,000
Lloyds Bank†	5,000	Citibank	5,000
Standard Chartered Bank	5,000	Handelsbanken	5,000
Toronto-Dominion Bank	5,000	National Australia Bank	5,000
Rabobank International	4,483	Standard Chartered Bank	5,000
Bank of Nova Scotia	4,000	Toronto-Dominion Bank	5,000
DNB Bank	3,995	Qatar National Bank	3,400
UK Treasury	3,856	DNB Bank	3,000
Goldman Sachs	3,488	KBC Bank	3,000
KBC Bank	3,000	NatWest	3,000
Svenska Handelsbanken	2,999	Svenska Handelsbanken	3,000
Commonwealth Bank Of Australia	2,987	Rabobank International	2,500
Skandinaviska Enskilda Banken	2,500	UK Treasury	2,470
ING Bank	2,496	Bank of Montreal	2,000
Bank of Montreal	2,000	Bank of Nova Scotia	2,000
Royal Bank of Canada	2,000	Royal Bank of Canada	2,000
NatWest	1,997	Commonwealth Bank Of Australia	1,000
UBS	1,500	Zurcher Kantonalbank	1,000
Handelsbanken	996		

All of the above are the cumulative value of rolling short term deposits.

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

## Cash Fund

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	176.37	177.25	176.95
Return before operating charges*	0.32	0.22	1.47
Operating charges	(1.03)	(1.10)	(1.17)
Return after operating charges*	(0.71)	(0.88)	0.30
Distributions	-	-	(0.26)
Retained distributions on accumulation shares	-	-	0.26
Closing net asset value per share	175.66	176.37	177.25
*after direct transaction cost of:	-	-	-
<b>Performance</b>			
Return after charges^	(0.40)%	(0.50)%	0.17%
<b>Other information</b>			
Closing net asset value (£000)	374	557	637
Closing number of shares	212,693	315,693	359,193
Operating charges#	0.59%	0.62%	0.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	176.40	177.20	177.30
Lowest share price	175.60	176.40	177.00

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 64 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

# Cash Fund

## Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	98.72	99.21	99.20
Return before operating charges*	0.18	0.13	0.78
Operating charges	(0.58)	(0.62)	(0.62)
Return after operating charges*	(0.40)	(0.49)	0.16
Distributions	-	-	(0.15)
Closing net asset value per share	98.32	98.72	99.21
*after direct transaction cost of:	-	-	-
<b>Performance</b>			
Return after charges	(0.41)%	(0.49)%	0.16%
<b>Other information</b>			
Closing net asset value (£000)	201	433	460
Closing number of shares	204,385	438,385	463,885
Operating charges#	0.59%	0.62%	0.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	98.72	99.21	99.30
Lowest share price	98.30	98.72	99.19

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

# Cash Fund

## Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	182.27	182.26	181.05
Return before operating charges*	0.32	0.24	1.43
Operating charges	(0.15)	(0.23)	(0.22)
Return after operating charges*	0.17	0.01	1.21
Distributions	(0.20)	(0.10)	(1.18)
Retained distributions on accumulation shares	0.20	0.10	1.18
Closing net asset value per share	182.44	182.27	182.26
*after direct transaction cost of:	-	-	-
<b>Performance</b>			
Return after charges	0.09%	0.01%	0.67%
<b>Other information</b>			
Closing net asset value (£000)	114,419	105,348	91,456
Closing number of shares	62,715,400	57,798,400	50,178,200
Operating charges#	0.08%	0.12%	0.12%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	182.40	182.40	182.30
Lowest share price	182.20	182.30	181.10

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

## Cash Fund

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital losses	2	(15)	(14)
Revenue	3	216	149
Expenses	4	(96)	(131)
Interest payable and similar charges		-	(12)
Net revenue before taxation		120	6
Taxation	5	-	-
Net revenue after taxation		120	6
<b>Total return before distributions</b>		<b>105</b>	<b>(8)</b>
Distributions	6	(122)	(49)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(17)</b>	<b>(57)</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>106,338</b>	<b>92,553</b>
Amounts receivable on creation of shares	22,508	21,314
Less: Amounts payable on cancellation of shares	(13,959)	(7,525)
	8,549	13,789
Dilution adjustment	1	-
Change in net assets attributable to shareholders from investment activities	(17)	(57)
Retained distributions on accumulation shares	123	53
<b>Closing net assets attributable to shareholders</b>	<b>114,994</b>	<b>106,338</b>

Notes to the Financial Statements are on pages 74 to 79.

## Cash Fund

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		67,862	1,110
<b>Current assets</b>			
Debtors	8	282	2,233
Cash and bank balances		658	-
Cash equivalents‡		47,203	110,580
<b>Total assets</b>		<b>116,005</b>	<b>113,923</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Bank overdrafts		-	(1,273)
Other creditors	9	(1,011)	(6,312)
<b>Total liabilities</b>		<b>(1,011)</b>	<b>(7,585)</b>
<b>Net assets attributable to shareholders</b>		<b>114,994</b>	<b>106,338</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 74 to 79.

## Notes to the Financial Statements

for the year ended 30th April 2022

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	(15)	(15)
Transaction charges	-	(1)
Compensation for error <sup>◇</sup>	-	2
Net capital losses*	(15)	(14)

<sup>◇</sup>Prior year compensation relates to an error in processing of interest.

\*Includes realised losses of £0 and unrealised losses of £15,000 (30/04/21: realised gains of £1,000 and unrealised losses of £15,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Bank interest	-	7
Interest on short term deposits	213	142
Interest on debt securities	3	-
Total revenue	216	149

### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	3	5
Registration fees	62	101
	65	106
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	12	11
Safe custody fees	4	5
	16	16
<b>Other expenses:</b>		
Audit fee	15	9
Total expenses	96	131

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

### 5. Taxation

#### (a) Analysis of charge in year:

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



## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 5. Taxation (continued)

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	120	6
Corporation tax of 20% (2021: 20%)	24	1
<b>Effects of:</b>		
Tax deductible interest distributions	(24)	(1)
Total tax charge for year (note 5a)	-	-

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

## (c) Deferred taxation:

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

## 6. Distributions

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Interim	-	53
Final	123	-
	123	53
Add: Revenue deducted on cancellation of shares	1	1
Deduct: Revenue received on creation of shares	(2)	(5)
Net distributions for the year	122	49

Details of the distributions per share are set out in the Distribution Tables on page 80.

## 7. Movement between net revenue and net distributions

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue after taxation	120	6
Share class A shortfall funded from capital	-	43
Add: deficit carried forward to next year	2	-
Net distributions for the year	122	49

## 8. Debtors

	30/04/22 £000	30/04/21 £000
Sales awaiting settlement	-	2,000
Amounts receivable for issue of shares	262	230
Accrued revenue	20	3
Total debtors	282	2,233

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**9. Other creditors**

	30/04/22	30/04/21
	£000	£000
Purchases awaiting settlement	991	6,000
Amounts payable for cancellation of shares	-	292
Accrued expenses	20	20
Total other creditors	1,011	6,312

**10. Related party transactions**

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £4,778 (30/04/21: £9,123) due at the year end.

The amounts of distributions payable to companies in the Lloyds Banking Group plc which were outstanding at the year end were £123,048 (30/04/21: £nil).

Distributions payable to the Lloyds Banking Group plc, parent company of the ACD during the year were £123,048 (30/04/21: £53,076).

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 5,000,000 shares (30/04/21: 10,000,000 shares) with a cost of £5,000,000 (30/04/21: £10,000,000) and sales of 10,000,000 shares (30/04/21: 5,000,000 shares) with sales proceeds of £10,000,000 (30/04/21: £5,000,000).

The sub-fund has a related party holding of nil shares (30/04/21: 5,000,000) and value of £nil (30/04/21: £5,000,000) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £1,534 (30/04/21: £1,172).

*Shares held by associates of the ACD*

On 30th April, shares held as a percentage of the sub-fund's value were:

	30/04/22	30/04/21
	%	%
ACD and associates of the ACD	99.47	99.08

**11. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.50	0.50
Share Class A - Income	0.50	0.50
Share Class X - Accumulation	-	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 69 to 71.

The distribution per share class is given in the Distribution Tables on page 80.

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 11. Share classes (continued)

## Reconciliation of the shares movement in the year:

	01/05/21 Opening shares in issue	Creations	Cancellations	30/04/22 Closing shares in issue
Share Class A - Accumulation	315,693	58,000	(161,000)	212,693
Share Class A - Income	438,385	-	(234,000)	204,385
Share Class X - Accumulation	57,798,400	12,294,000	(7,377,000)	62,715,400

There are no conversions in the year to report.

## 12. Capital commitments and contingent liabilities

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 64. The risks inherent in the sub-fund's investment portfolio are as follows:

## (a) Currency risk

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

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

The sub-fund receives revenue from holdings in short term deposits. The cashflow from these investments is shown in the table below. Given that the sub-fund's objective is to provide a level of income which is compatible with a high level of capital security, these cashflows are considered to be of primary importance and are actively managed.

The interest rate risk profile of the company's financial assets and liabilities at 30th April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency</b>				
<b>30/04/22</b>				
Sterling	658	62,699	51,637	114,994
	Floating rate financial liabilities £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency</b>				
<b>30/04/21</b>				
Sterling	(1,273)	65,764	41,847	106,338

The sub-fund's net cash holding of £657,834 (30/04/21: overdraft £1,273,283) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

As at 30th April 2022, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £287,662 (30/04/21: £279,225).

The sub-fund did not have any long term financial liabilities.

for the year ended 30th April 2022

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

#### (c) Liquidity risk

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

The sub-fund holds short term deposits. They are not affected by market movements. The management of the sub-fund complies with the Financial Conduct Authority COLL Sourcebook, which include rules limiting the size of investment in any particular holding.

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

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £5,753,235 (30/04/21: £5,584,507).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

#### (e) Leverage

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	70.77	102.17
Commitment leverage	99.79	122.30

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**13. Risk management policies, derivatives and other financial instruments (continued)***(f) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

<b>Credit analysis of investments (including Cash equivalents)</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Investment grade	115,065	111,690

**14. Portfolio transaction costs**

Analysis of total trade costs.

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/05/21 to 30/04/22</b>	<b>01/05/20 to 30/04/21</b>	<b>01/05/21 to 30/04/22</b>	<b>01/05/20 to 30/04/21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fixed Income	3,856	6,625	2,470	7,717
Short term deposits	6,372,238	5,670,847	6,370,328	5,649,306
<b>Trades in the year before transaction costs</b>	6,376,094	5,677,472	6,372,798	5,657,023
<b>Total net trades in the year after transaction costs</b>	6,376,094	5,677,472	6,372,798	5,657,023

There were no transactions costs incurred during the year to 30th April 2022 30/04/21: £nil).

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (30/04/21: 0.00%).

**15. Fair value**

	<b>30/04/22</b>		<b>30/04/21</b>	
<b>Valuation technique</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Level 1	2,499	-	111,690	-
Level 2	112,566	-	-	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>115,065</b>	<b>-</b>	<b>111,690</b>	<b>-</b>

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

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

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

## Cash Fund

### Distribution Tables

for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1st May 2021

Final Shares purchased prior to 1st November 2021

Group 2 Interim Shares purchased on or between 1st May 2021 and 31st October 2021

Final Shares purchased on or between 1st November 2021 and 30th April 2022

#### Share Class A - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

#### Share Class A - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

#### Share Class X - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	0.0958
Final	0.1962	-	0.1962	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	0.0958
Final	0.1593	0.0369	0.1962	-

# Cautious Income Portfolio 1

## Investment Markets Overview

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for the year ended 30th April 2022

### Investment Objective

The Fund aims to provide an income with some potential for capital growth by investing in regulated collective investment schemes.

These collective investment schemes will provide exposure to fixed interest securities, together with exposure to a mix of asset classes (including shares, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

### Investment Policy

At least 55% of the Fund will provide exposure to fixed interest securities.

This will include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. It may also include overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

A maximum of 30% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund. These may be actively or passively managed\*\*\* and may include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors.

Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Cautious. Our Cautious funds are dominated by lower risk assets such as government bonds and high quality corporate bonds but additionally may include small exposures to high-yield bonds. Our Cautious funds may also have some exposure to shares (UK and International), property and other riskier assets which have the potential for higher returns than bonds.

Our Cautious funds are intended to provide modest returns and modest levels of volatility compared to our other Multi-Asset funds which typically have higher exposure to shares.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 0-35% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>

## Cautious Income Portfolio 1

### Investment Markets Overview

(continued)

for the year ended 30th April 2022

#### Synthetic Risk and Reward Indicator

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

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 20th January 2022.</p>	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						
	1	2	3	4	5	6	7

#### Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Cautious Income Portfolio 1 A Accumulation	(2.65)	7.58	0.52	1.93	1.00

Source: Financial Express for Cautious Income Portfolio 1. Basis: Gross revenue reinvested and net of expenses.

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

The Portfolio achieved a negative return in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Fixed income holdings were the primary driver of negative performance over the period. Investment grade corporate bonds struggled in particular. Central banks have turned more hawkish, and markets have subsequently priced in a faster pace of monetary normalisation. The allocation to equities contributed positively, supported by the allocation to global and UK stocks. Alternative assets also added value, led by the allocation to property and commodities.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022



# Cautious Income Portfolio 1

## Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.71%, 30/04/21 99.75%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	1,317,081	1,358	1.02
BNY Mellon Global Absolute Return Fund W Acc	3,237,552	4,079	3.07
BNY Mellon Real Return Fund W Acc	2,886,880	4,101	3.09
HBOS Corporate Bond Fund I Gross Inc†	96,125,957	20,975	15.79
HBOS UK Property Fund I Inc†	4,007,441	4,921	3.71
Nordea 1 Diversified Return Fund BD GBP Acc	31,321	4,097	3.08
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)Ø	19,565	2,468	1.86
Schroder Sterling Liquidity Fund X Inc±Ø	4,150,988	4,151	3.13
Schroder Sterling Short Duration Bond Fund X Inc±Ø	158,401	15,829	11.92
Scottish Widows Corporate Bond 1 Fund W Gross Acct	5,737,027	6,775	5.10
Scottish Widows Corporate Bond Fund W Gross Acct	15,715,402	21,059	15.86
Scottish Widows Emerging Markets Fund X Acct	186,704	537	0.40
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct	526,886	783	0.59
Scottish Widows Fundamental Index Global Equity Fund X Acct	324,828	863	0.65
Scottish Widows Gilt Fund W Gross Acct	3,759,776	4,628	3.48
Scottish Widows Global Growth Fund X Acct	2,128,814	6,552	4.93
Scottish Widows High Income Bond Fund X Gross Acct	4,784,197	12,941	9.74
Scottish Widows International Bond Fund W Gross Acct	5,413,113	7,102	5.35
Scottish Widows UK Equity Income Fund A Inc†	1,110,725	7,423	5.59
		130,642	98.36
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR	76,688	1,792	1.35
		1,792	1.35
<b>TOTAL FINANCIALS</b>		<b>132,434</b>	<b>99.71</b>
<b>DERIVATIVES (0.24%, 30/04/21 0.11%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR7,639,000 for GBP6,348,315 Settlement 24/05/2022		71	0.05
Bought USD3,751,275 for GBP2,875,520 Settlement 24/05/2022		112	0.09
Bought USD795,725 for GBP616,918 Settlement 24/05/2022		17	0.01
Sold EUR379,589 for GBP320,047 Settlement 24/05/2022		1	0.00
Sold EUR373,923 for GBP315,340 Settlement 24/05/2022		1	0.00
Sold EUR377,700 for GBP318,723 Settlement 24/05/2022		1	0.00
Sold EUR377,700 for GBP318,587 Settlement 24/05/2022		1	0.00
Sold EUR396,585 for GBP334,400 Settlement 24/05/2022		1	0.00
Sold EUR198,292 for GBP167,055 Settlement 24/05/2022		1	0.00
Sold EUR377,700 for GBP318,688 Settlement 24/05/2022		1	0.00
Sold EUR377,700 for GBP318,628 Settlement 24/05/2022		1	0.00
Sold EUR198,293 for GBP167,121 Settlement 24/05/2022		1	0.00
Sold EUR339,930 for GBP286,884 Settlement 24/05/2022		1	0.00
Sold EUR379,588 for GBP319,952 Settlement 24/05/2022		1	0.00
Sold USD4,137,000 for GBP3,178,518 Settlement 24/05/2022		(116)	(0.08)
		95	0.07

## Cautious Income Portfolio 1

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures June 2022	(26)	(20)	(0.02)
FTSE 100 Index Futures June 2022	36	77	0.06
MSCI World Energy Index Futures June 2022	27	35	0.03
S&P 500 E Mini Index Futures June 2022	(15)	137	0.10
		229	0.17
<b>TOTAL DERIVATIVES</b>		<b>324</b>	<b>0.24</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>132,758</b>	<b>99.95</b>
<b>Net other assets</b>		<b>67</b>	<b>0.05</b>
<b>Total net assets</b>		<b>132,825</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

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

## Cautious Income Portfolio 1

### Material Portfolio Changes

for the year ended 30th April 2022

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Total purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc‡	17,845	Schroder Sterling Liquidity Fund X Inc‡	19,043
Schroder Sterling Short Duration Bond Fund X Inc‡	7,948	Schroder Sterling Short Duration Bond Fund X Inc‡	7,577
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	4,253	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	3,292
		Scottish Widows UK and Income Investment Funds - UK	
Halifax UK Investment Funds ICVC - Corporate Bond Fund	742	Equity Income Fund†	2,270
Scottish Widows UK and Income Investment Funds -			
Corporate Bond Fund W Gross Acct†	693	Scottish Widows Global Growth Fund X Acct†	1,711
Scottish Widows International Bond Fund W Gross Acct†	278	HBOS UK Property Fund I Inc†	1,488
		Scottish Widows UK and Income Investment Funds -	
Scottish Widows High Income Bond Fund X Gross Acct†	216	Corporate Bond Fund W Gross Acct†	994
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	215	Scottish Widows Corporate Bond 1 Fund W Gross Acct†	984
BNY Mellon Investment Funds - BNY Mellon Global			
Absolute Return Fund	11	Scottish Widows High Income Bond Fund X Gross Acct†	929
		Nordea 1 SICAV - GBP Diversified Return Fund	589

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Funds.

## Cautious Income Portfolio 1

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	188.83	175.46	174.58
Return before operating charges*	(2.82)	15.92	3.32
Operating charges	(1.99)	(2.55)	(2.44)
Return after operating charges*	(4.81)	13.37	0.88
Distributions	(1.99)	(1.38)	(2.85)
Retained distributions on accumulation shares	1.99	1.38	2.85
Closing net asset value per share	184.02	188.83	175.46
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges^	(2.55)%	7.62%	0.50%
<b>Other information</b>			
Closing net asset value (£000)	114,257	124,685	126,067
Closing number of shares	62,090,900	66,030,400	71,849,900
Operating charges#Δ	1.05%	1.39%	1.37%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	195.60	189.70	183.70
Lowest share price	183.40	173.90	162.40

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.99% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 82 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	133.23	124.73	126.09
Return before operating charges*	(1.96)	11.28	2.44
Operating charges	(1.40)	(1.80)	(1.75)
Return after operating charges*	(3.36)	9.48	0.69
Distributions	(1.40)	(0.98)	(2.05)
Closing net asset value per share	128.47	133.23	124.73
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(2.52)%	7.60%	0.55%
<b>Other information</b>			
Closing net asset value (£000)	10,213	11,548	11,889
Closing number of shares	7,949,400	8,667,400	9,532,400
Operating charges#Δ	1.05%	1.39%	1.37%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	137.40	134.20	131.50
Lowest share price	128.50	123.60	115.90

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.99% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	115.03	106.35	105.29
Return before operating charges*	(1.73)	9.67	2.00
Operating charges	(1.03)	(0.99)	(0.94)
Return after operating charges*	(2.76)	8.68	1.06
Distributions	(1.39)	(1.39)	(2.26)
Retained distributions on accumulation shares	1.39	1.39	2.26
Closing net asset value per share	112.27	115.03	106.35
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(2.40)%	8.16%	1.01%
<b>Other information</b>			
Closing net asset value (£000)	7,518	8,362	7,949
Closing number of shares	6,695,900	7,269,400	7,474,300
Operating charges#	0.89%	0.89%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	119.30	115.40	111.20
Lowest share price	111.90	105.40	98.39

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	106.50	99.71	100.79
Return before operating charges*	(1.57)	9.02	1.96
Operating charges	(0.95)	(0.93)	(0.89)
Return after operating charges*	(2.52)	8.09	1.07
Distributions	(1.28)	(1.30)	(2.15)
Closing net asset value per share	102.70	106.50	99.71
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(2.37)%	8.11%	1.06%
<b>Other information</b>			
Closing net asset value (£000)	837	832	546
Closing number of shares	815,000	781,000	547,200
Operating charges#	0.89%	0.90%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	109.80	107.40	105.30
Lowest share price	102.70	98.82	92.71

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 1

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(4,883)	9,680
Revenue	3	2,834	2,990
Expenses	4	(1,300)	(1,818)
Interest payable and similar charges		(28)	(4)
Net revenue before taxation		1,506	1,168
Taxation	5	(14)	(33)
Net revenue after taxation		1,492	1,135
<b>Total return before distributions</b>		<b>(3,391)</b>	<b>10,815</b>
Distributions	6	(1,506)	(1,168)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,897)</b>	<b>9,647</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>145,427</b>	<b>146,451</b>
Amounts receivable on creation of shares	523	710
Less: Amounts payable on cancellation of shares	(9,587)	(12,432)
	(9,064)	(11,722)
Change in net assets attributable to shareholders from investment activities	(4,897)	9,647
Retained distributions on accumulation shares	1,357	1,040
Unclaimed distributions	2	11
<b>Closing net assets attributable to shareholders</b>	<b>132,825</b>	<b>145,427</b>

Notes to the Financial Statements are on pages 92 to 99.



## Cautious Income Portfolio 1

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		128,743	124,501
<b>Current assets</b>			
Debtors	8	31	12
Cash and bank balances	9	352	518
Cash equivalents‡		4,151	20,840
<b>Total assets</b>		<b>133,277</b>	<b>145,871</b>
<b>Liabilities</b>			
Investment liabilities		(136)	(123)
<b>Creditors</b>			
Bank overdrafts		(40)	-
Distribution payable		(39)	(20)
Other creditors	10	(237)	(301)
<b>Total liabilities</b>		<b>(452)</b>	<b>(444)</b>
<b>Net assets attributable to shareholders</b>		<b>132,825</b>	<b>145,427</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 92 to 99.

## Cautious Income Portfolio 1

### Notes to the Financial Statements

for the year ended 30th April 2022

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

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

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	(5,181)	7,388
Futures contracts	(218)	2,001
Forward currency contracts	417	33
ACD's periodic charge rebates taken to capital	96	164
Currency gains	12	56
Transaction charges	(9)	(8)
Compensation for error <sup>◇</sup>	-	46
Net capital (losses)/gains*	(4,883)	9,680

<sup>◇</sup> Compensation received from Schroder Investment Management for unadvised cash treatment.

\*Includes realised gains of £1,621,000 and unrealised losses of £6,504,000 (30/04/21: realised gains of £16,220,000 and unrealised losses of £6,540,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

#### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	718	422
Interest distributions	2,065	2,327
Offshore distributions	44	145
HM Revenue and Customs interest	-	3
Registration fee rebate	8	8
AMC rebates	(1)	85
Total revenue	2,834	2,990

#### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,271	1,791
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	15	16
Safe custody fees	1	1
	16	17
<b>Other expenses:</b>		
Audit fee	13	10
Total expenses	1,300	1,818

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Corporation tax	14	33
Total taxation (note 5b)	14	33

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	1,506	1,168
Corporation tax of 20% (2021: 20%)	301	233
<b>Effects of:</b>		
Non-taxable UK dividends*	(96)	(84)
Futures Income Bifurcation	(25)	-
Taxable income taken to capital	14	33
Tax deductible interest distributions	(190)	(149)
Total tax charge for year (note 5a)	14	33

\*As an authorised OEIC this item is not subject to corporation tax.

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

**(c) Deferred taxation:**

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

**6. Distributions**

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
First interim	225	251
Second interim	392	485
Third interim	396	172
Final	469	229
	1,482	1,137
Add: Revenue deducted on cancellation of shares	25	33
Deduct: Revenue received on creation of shares	(1)	(2)
Net distributions for the year	1,506	1,168

Details of the distributions per share are set out in the Distribution Tables on pages 100 to 101.

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**7. Movement between net revenue and net distributions**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
Net revenue after taxation	1,492	1,135
Tax charge on rebates taken to capital	14	33
Net distributions for the year	1,506	1,168

**8. Debtors**

	30/04/22	30/04/21
	£000	£000
Amounts receivable for issue of shares	-	4
Accrued revenue	-	5
AMC rebates receivable	-	3
Income tax receivable	31	-
Total debtors	31	12

**9. Cash and bank balances**

	30/04/22	30/04/21
	£000	£000
Cash and bank balances	110	167
Amounts held at futures clearing houses and brokers	242	351
Total cash and bank balances	352	518

**10. Other creditors**

	30/04/22	30/04/21
	£000	£000
Purchases awaiting settlement	5	-
Amounts payable for cancellation of shares	117	117
Accrued expenses	101	151
Corporation tax payable	14	33
Total other creditors	237	301

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Lloyds Banking Group plc investments, which amount to £70,755 (30/04/21: £163,685).

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £90,002 (30/04/21: 136,062) due at the year end.

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 4,155,041 shares (30/04/21: 150,662,782) with a cost of £2,144,859 (30/04/21: £77,586,285) and sales of 5,303,000 shares (30/04/21: 52,366,587 shares) with sales proceeds of £9,525,339 (30/04/21: £49,804,143).

The sub-fund has a related party holding of 139,820,870 shares (30/04/21: 140,968,828 shares) and value of £94,560,217 (30/04/21: £106,240,420) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £2,707,339 (30/04/21: £1,905,192).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.85	1.25
Share Class A - Income	0.85	1.25
Share Class P - Accumulation	0.75	0.75
Share Class P - Income	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 86 to 89.

The distributions per share class are given in the Distribution Tables on pages 100 to 101.

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

	01/05/21 Opening shares in issue	Creations	Cancellations	30/04/22 Closing shares in issue
Share Class A - Accumulation	66,030,400	118,500	(4,058,000)	62,090,900
Share Class A - Income	8,667,400	69,000	(787,000)	7,949,400
Share Class P - Accumulation	7,269,400	144,500	(718,000)	6,695,900
Share Class P - Income	781,000	34,000	-	815,000

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 81. The risks inherent in the sub-fund's investment portfolio are as follows:

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)***(a) Currency risk*

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts and futures. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £37,305 (30/04/21: £23,749).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/04/22	Currency exposure 30/04/21
	£000	£000
Canadian dollar	-	4,210
Euro	3,273	(2,226)
US dollar	457	(4,359)
Total	3,730	(2,375)

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

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating a high level of income, whilst providing the potential for capital growth.

The sub-fund's net cash holding of £110,313 (30/04/21: holding £66,804) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £201,232 (30/04/21: cash £351,968), whose rates are based on SONIA or its international equivalent.

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	249	201
Forward currency contracts	211	74
Total Financial derivative instrument exposure	<b>460</b>	<b>275</b>

<b>Counterparties to financial derivative instruments and efficient portfolio management techniques</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Bank of America - Forward currency contract	131	68
Barclays - Forward currency contract	2	-
Citibank - Forward currency contract	(45)	-
HSBC - Forward currency contract	1	-
JPMorgan Chase Bank - Forward currency contract	5	6
State Street Bank and Trust Company - Forward currency contracts	1	(8)
Merrill Lynch - Futures contracts	229	86
Total counterparty exposure	<b>324</b>	<b>152</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

<b>Collateral</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	194	218
CAD Cash - Merrill Lynch	-	36
EUR Cash - Merrill Lynch	48	-
USD Cash - Merrill Lynch	(41)	98

No collateral was received in the current year.

**(d) Liquidity risk**

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

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

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

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £6,637,892 (30/04/21: £7,260,877).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	117.28	113.57
Commitment leverage	106.83	111.08

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	32,202	158,052	41,200	167,718
<b>Total net trades in the year after transaction costs</b>	<b>32,202</b>	<b>158,052</b>	<b>41,200</b>	<b>167,718</b>



**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Taxes and other expenses	0.00	0.01

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (30/04/21: 0.00%).

**16. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	2,041	(20)	201	(115)
Level 2	130,853	(116)	145,140	(8)
Level 3	-	-	-	-
Total fair value	132,894	(136)	145,341	(123)

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

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

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

## Cautious Income Portfolio 1

### Distribution Tables

for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st May 2021

Second interim Shares purchased prior to 1st August 2021

Third interim Shares purchased prior to 1st November 2021

Final Shares purchased prior to 1st February 2022

Group 2 First interim Shares purchased on or between 1st May 2021 and 31st July 2021

Second interim Shares purchased on or between 1st August 2021 and 31st October 2021

Third interim Shares purchased on or between 1st November 2021 and 31st January 2022

Final Shares purchased on or between 1st February 2022 and 30th April 2022

#### Share Class A - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2864	-	0.2864	0.2937
Second interim	0.5238	-	0.5238	0.5955
Third interim	0.5354	-	0.5354	0.2042
Final	0.6463	-	0.6463	0.2834
Group 2	(p)	(p)	(p)	(p)
First interim	-	0.2864	0.2864	0.2937
Second interim	0.0711	0.4527	0.5238	0.5955
Third interim	0.0563	0.4791	0.5354	0.2042
Final	0.0606	0.5857	0.6463	0.2834

#### Share Class A - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2021	-	0.2021	0.2087
Second interim	0.3690	-	0.3690	0.4226
Third interim	0.3761	-	0.3761	0.1444
Final	0.4528	-	0.4528	0.2002
Group 2	(p)	(p)	(p)	(p)
First interim	0.1588	0.0433	0.2021	0.2087
Second interim	0.2176	0.1514	0.3690	0.4226
Third interim	0.2317	0.1444	0.3761	0.1444
Final	0.1889	0.2639	0.4528	0.2002

## Cautious Income Portfolio 1

### Distribution Tables

(continued)

for the year ended 30th April 2022

#### Share Class P - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2652	-	0.2652	0.3146
Second interim	0.3486	-	0.3486	0.4988
Third interim	0.3568	-	0.3568	0.2652
Final	0.4217	-	0.4217	0.3144
Group 2	(p)	(p)	(p)	(p)
First interim	0.0536	0.2116	0.2652	0.3146
Second interim	0.0837	0.2649	0.3486	0.4988
Third interim	0.0904	0.2664	0.3568	0.2652
Final	0.2088	0.2129	0.4217	0.3144

#### Share Class P - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2456	-	0.2456	0.2950
Second interim	0.3220	-	0.3220	0.4662
Third interim	0.3287	-	0.3287	0.2468
Final	0.3872	-	0.3872	0.2918
Group 2	(p)	(p)	(p)	(p)
First interim	0.1754	0.0702	0.2456	0.2950
Second interim	0.3220	-	0.3220	0.4662
Third interim	0.3287	-	0.3287	0.2468
Final	0.1169	0.2703	0.3872	0.2918

## Cautious Income Portfolio 2

### Investment Markets Overview

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for the year ended 30th April 2022

#### Investment Objective

The Fund aims to provide an income with some potential for capital growth by investing in regulated collective investment schemes.

These collective investment schemes will provide exposure to fixed interest securities, together with exposure to a mix of asset classes (including shares, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

#### Investment Policy

At least 55% of the Fund will provide exposure to fixed interest securities.

This fixed interest exposure will include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. It may also include overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

A maximum of 30% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund. These may be actively or passively managed\*\*\* and may include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors.

Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Cautious. Our Cautious funds are dominated by lower risk assets such as government bonds and high quality corporate bonds but additionally may include small exposures to high-yield bonds. Our Cautious funds may also have some exposure to shares (UK and International), property and other riskier assets which have the potential for higher returns than bonds.

Our Cautious funds are intended to provide modest returns and modest levels of volatility compared to our other Multi-Asset funds which typically have higher exposure to shares.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 0-35% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>

## Cautious Income Portfolio 2

### Investment Markets Overview

(continued)

for the year ended 30th April 2022

#### Synthetic Risk and Reward Indicator

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

<p>The Fund is ranked at 4 * because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 20th January 2022.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>						<p>Typically higher rewards, higher risks</p> <p>→</p>	
	1	2	3	4	5	6	7	

#### Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Cautious Income Portfolio 2 A Accumulation	(3.10)	7.90	(0.49)	2.12	0.96

Source: Financial Express for Cautious Income Portfolio 2. Basis: Gross revenue reinvested and net of expenses.

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

The Portfolio achieved a negative return in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Fixed income holdings were the primary driver of negative performance over the period. Investment grade corporate bonds and emerging market debt struggled in particular. Central banks have turned more hawkish, and markets have subsequently priced in a faster pace of monetary normalisation. The allocation to equities contributed positively, supported by the allocation to global and UK stocks. Alternative assets also added value, led by the allocation to property.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022

## Cautious Income Portfolio 2

### Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.64%, 30/04/21 99.67%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	7,058,507	7,275	1.34
BNY Mellon Global Absolute Return Fund W Acc	12,794,093	16,119	2.96
BNY Mellon Real Return Fund W Acc	11,901,240	16,905	3.11
HBOS Corporate Bond Fund I Gross Inc†	408,718,003	89,182	16.38
HBOS UK Property Fund I Inc†	16,423,566	20,168	3.70
Nordea 1 Diversified Return Fund BD GBP Acc	128,483	16,808	3.09
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)Ø	294,773	37,179	6.83
Schroder Sterling Liquidity Fund X Inc‡Ø	8,654,854	8,655	1.59
Schroder Sterling Short Duration Bond Fund X Inc‡Ø	504,832	50,448	9.27
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	17,264,915	20,390	3.75
Scottish Widows Corporate Bond Fund W Gross Acct†	66,403,876	88,981	16.35
Scottish Widows Emerging Markets Fund X Acct†	2,073,772	5,962	1.09
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	4,226,732	6,285	1.15
Scottish Widows Fundamental Index Global Equity Fund X Acct†	1,251,072	3,324	0.61
Scottish Widows Gilt Fund W Gross Acct†	9,551,906	11,759	2.16
Scottish Widows Global Growth Fund X Acct†	4,484,367	13,803	2.54
Scottish Widows Global Select Growth Fund X Acct†	171,987	3,056	0.56
Scottish Widows High Income Bond Fund X Gross Acct†	16,077,987	43,491	7.99
Scottish Widows International Bond Fund W Gross Acct†	22,156,514	29,070	5.34
Scottish Widows International Equity Tracker Fund X Acct†	1,714,856	8,502	1.56
Scottish Widows UK Equity Income Fund A Inc†	5,461,736	36,501	6.70
		533,863	98.07
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR	365,945	8,548	1.57
		8,548	1.57
<b>TOTAL FINANCIALS</b>		<b>542,411</b>	<b>99.64</b>
<b>DERIVATIVES (0.22%, 30/04/21 0.09%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR36,628,000 for GBP30,439,333 Settlement 24/05/2022		372	0.07
Bought USD18,070,800 for GBP13,852,075 Settlement 24/05/2022		565	0.10
Bought USD3,833,200 for GBP2,971,841 Settlement 24/05/2022		87	0.02
Sold EUR1,804,100 for GBP1,522,392 Settlement 24/05/2022		5	0.00
Sold EUR1,804,100 for GBP1,522,226 Settlement 24/05/2022		5	0.00
Sold EUR1,894,305 for GBP1,597,278 Settlement 24/05/2022		4	0.00
Sold EUR1,786,059 for GBP1,506,237 Settlement 24/05/2022		4	0.00
Sold EUR1,804,100 for GBP1,521,746 Settlement 24/05/2022		4	0.00
Sold EUR1,623,690 for GBP1,370,313 Settlement 24/05/2022		4	0.00
Sold EUR1,813,121 for GBP1,528,718 Settlement 24/05/2022		4	0.00
Sold EUR1,804,100 for GBP1,521,939 Settlement 24/05/2022		4	0.00
Sold EUR1,813,120 for GBP1,528,264 Settlement 24/05/2022		3	0.00
Sold EUR947,152 for GBP798,258 Settlement 24/05/2022		1	0.00
Sold EUR947,153 for GBP797,949 Settlement 24/05/2022		1	0.00
Sold USD20,027,000 for GBP15,387,039 Settlement 24/05/2022		(591)	(0.10)
		472	0.09

## Cautious Income Portfolio 2

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Australian Government Bond 10 Year Futures June 2022	116	(2)	0.00
EURO STOXX 50 Index Futures June 2022	(107)	(81)	(0.01)
FTSE 100 Index Futures June 2022	102	216	0.04
MSCI World Energy Index Futures June 2022	129	167	0.03
S&P 500 E Mini Index Futures June 2022	(39)	463	0.08
US Treasury Note 10 Year Ultra Bond Futures June 2022	(83)	(34)	(0.01)
		729	0.13
<b>TOTAL DERIVATIVES</b>		<b>1,201</b>	<b>0.22</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>543,612</b>	<b>99.86</b>
<b>Net other assets</b>		<b>738</b>	<b>0.14</b>
<b>Total net assets</b>		<b>544,350</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

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

## Cautious Income Portfolio 2

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc‡	145,054	Schroder Sterling Liquidity Fund X Inc‡	156,907
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)	35,379	iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF (Dist)	19,352
Schroder Sterling Short Duration Bond Fund X Inc‡	34,836	Schroder Sterling Short Duration Bond Fund X Inc‡	18,168
Scottish Widows International Bond Fund W Gross Acct	30,600	BNY Mellon Newton Real Return Fund X Acc	17,567
Scottish Widows Corporate Bond 1 Fund W Gross Acct	21,848	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	13,818
iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF (Dist)	19,348	Scottish Widows International Bond Fund W Gross Acct	11,971
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	18,599	Scottish Widows UK Equity Income Fund A Inc†	8,914
BNY Mellon Investments Funds ICVC - BNY Mellon Real Return	16,919	Scottish Widows Corporate Bond 1 Fund W Gross Acct	8,635
Scottish Widows International Equity Tracker Fund X Acct	8,838	BlackRock ACS Climate Transition World Equity Fund X0 GBP Acc	7,944
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	7,944	HBOS UK Property Fund I Inc†	5,375

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Funds.



## Cautious Income Portfolio 2

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	196.63	182.15	183.10
Return before operating charges*	(3.92)	17.11	1.60
Operating charges	(2.03)	(2.63)	(2.55)
Return after operating charges*	(5.95)	14.48	(0.95)
Distributions	(2.01)	(1.57)	(3.44)
Retained distributions on accumulation shares	2.01	1.57	3.44
Closing net asset value per share	190.68	196.63	182.15
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	(3.03)%	7.95%	(0.52)%
<b>Other information</b>			
Closing net asset value (£000)	412,868	407,628	409,929
Closing number of shares	216,534,144	207,304,100	225,049,600
Operating charges#Δ	1.03%	1.38%	1.37%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	203.30	198.00	193.20
Lowest share price	190.00	179.90	165.40

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.98% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 103 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	138.28	129.17	132.25
Return before operating charges*	(2.73)	12.08	1.22
Operating charges	(1.42)	(1.86)	(1.83)
Return after operating charges*	(4.15)	10.22	(0.61)
Distributions	(1.41)	(1.11)	(2.47)
Closing net asset value per share	132.72	138.28	129.17
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(3.00)%	7.91%	(0.46)%
<b>Other information</b>			
Closing net asset value (£000)	33,151	32,722	33,217
Closing number of shares	24,978,543	23,663,835	25,716,335
Operating charges#Δ	1.03%	1.38%	1.37%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	142.40	139.60	138.20
Lowest share price	132.70	127.60	117.90

ΔDuring the period, the ACD's periodic charge changed from 1.25% to 0.85%. As such, 0.98% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	114.74	105.75	105.77
Return before operating charges*	(2.30)	9.97	0.92
Operating charges	(1.01)	(0.98)	(0.94)
Return after operating charges*	(3.31)	8.99	(0.02)
Distributions	(1.35)	(1.47)	(2.53)
Retained distributions on accumulation shares	1.35	1.47	2.53
Closing net asset value per share	111.43	114.74	105.75
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(2.88)%	8.50%	(0.02)%
<b>Other information</b>			
Closing net asset value (£000)	22,073	23,001	20,226
Closing number of shares	19,809,400	20,046,900	19,125,900
Operating charges#	0.88%	0.88%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	118.80	115.40	112.00
Lowest share price	111.00	104.40	96.00

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	105.42	98.47	100.82
Return before operating charges*	(2.09)	9.22	0.93
Operating charges	(0.93)	(0.91)	(0.89)
Return after operating charges*	(3.01)	8.31	0.04
Distributions	(1.23)	(1.36)	(2.39)
Closing net asset value per share	101.18	105.42	98.47
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(2.86)%	8.44%	0.04%
<b>Other information</b>			
Closing net asset value (£000)	1,628	1,856	1,681
Closing number of shares	1,609,300	1,760,300	1,707,000
Operating charges#	0.87%	0.88%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	108.50	106.50	105.50
Lowest share price	101.20	97.25	89.95

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class V - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	174.99	160.76	160.22
Return before operating charges*	(3.52)	15.07	1.36
Operating charges	(1.04)	(0.84)	(0.82)
Return after operating charges*	(4.56)	14.23	0.54
Distributions	(2.56)	(2.79)	(4.42)
Retained distributions on accumulation shares	2.56	2.79	4.42
Closing net asset value per share	170.43	174.99	160.76
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	(2.61)%	8.85%	0.34%
<b>Other information</b>			
Closing net asset value (£000)	13	13	12
Closing number of shares	7,700	7,700	7,700
Operating charges#	0.59%	0.50%	0.50%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	181.50	175.80	170.10
Lowest share price	169.80	158.80	145.90

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Cautious Income Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)
<b>Share Class X - Accumulation</b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(2.90)
Operating charges	(0.11)
Return after operating charges*	(3.01)
Distributions	(1.59)
Retained distributions on accumulation shares	1.59
Closing net asset value per share	96.99
*after direct transaction cost of:	0.00
<b>Performance</b>	
Return after charges	(3.01)%
<b>Other information</b>	
Closing net asset value (£000)	74,617
Closing number of shares	76,935,014
Operating charges#	0.13%
Direct transaction costs	0.00%
<b>Prices**</b>	
Highest share price	103.10
Lowest share price	96.63

#Operating charges are representative of the ongoing charges figure.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

## Cautious Income Portfolio 2

### Statement of Total Return

for the year ended 30th April 2022

	Notes	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Income			
Net capital (losses)/gains	2	(23,514)	32,001
Revenue	3	10,966	9,856
Expenses	4	(4,489)	(5,791)
Interest payable and similar charges		(113)	(14)
Net revenue before taxation		6,364	4,051
Taxation	5	(69)	(163)
Net revenue after taxation		6,295	3,888
<b>Total return before distributions</b>		<b>(17,219)</b>	<b>35,889</b>
Distributions	6	(6,364)	(4,051)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(23,583)</b>	<b>31,838</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Opening net assets attributable to shareholders</b>	<b>465,220</b>	<b>465,065</b>
Amounts receivable on creation of shares	140,977	1,909
Less: Amounts payable on cancellation of shares	(44,235)	(37,254)
	96,742	(35,345)
Dilution adjustment	1	-
Change in net assets attributable to shareholders from investment activities	(23,583)	31,838
Retained distributions on accumulation shares	5,963	3,661
Unclaimed distributions	7	1
<b>Closing net assets attributable to shareholders</b>	<b>544,350</b>	<b>465,220</b>

Notes to the Financial Statements are on pages 115 to 123.

## Cautious Income Portfolio 2

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		535,665	410,151
<b>Current assets</b>			
Debtors	8	214	32
Cash and bank balances	9	1,685	2,097
Cash equivalents‡		8,655	54,397
<b>Total assets</b>		<b>546,219</b>	<b>466,677</b>
<b>Liabilities</b>			
Investment liabilities		(708)	(424)
<b>Creditors</b>			
Bank overdrafts		(357)	-
Distribution payable		(126)	(65)
Other creditors	10	(678)	(968)
<b>Total liabilities</b>		<b>(1,869)</b>	<b>(1,457)</b>
<b>Net assets attributable to shareholders</b>		<b>544,350</b>	<b>465,220</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 115 to 123.



## Notes to the Financial Statements

for the year ended 30th April 2022

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

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

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	(26,431)	23,225
Futures contracts	384	7,576
Forward currency contracts	2,116	194
ACD's periodic charge rebates taken to capital	343	814
Currency gains	83	183
Transaction charges	(9)	(8)
Compensation for error <sup>◇</sup>	-	17
Net capital (losses)/gains*	(23,514)	32,001

\*Includes realised gains of £5,465,000 and unrealised losses of £28,979,000 (30/04/21: realised gains of £55,065,000 and unrealised losses of £23,064,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

<sup>◇</sup>Prior year compensation received from Diligenta Limited due to a trading error.

### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	3,046	1,910
Interest distributions	7,688	7,326
Offshore distributions	135	343
HM Revenue and Customs interest	-	1
Registration fee rebate	29	26
AMC rebates	60	250
Compensation <sup>◇</sup>	8	-
Total revenue	10,966	9,856

<sup>◇</sup>Compensation received from Schroder Investment Management Limited due to a trading error.

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**4. Expenses**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	4,411	5,729
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	61	50
Safe custody fees	4	2
	65	52
<b>Other expenses:</b>		
Audit fee	13	10
Total expenses	4,489	5,791

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Corporation tax	69	163
Total taxation (note 5b)	69	163

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	6,364	4,051
Corporation tax of 20% (2021: 20%)	1,273	810
<b>Effects of:</b>		
Non-taxable UK dividends*	(477)	(382)
Taxable income taken to capital	69	163
Tax deductible interest distributions	(796)	(428)
Total tax charge for year (note 5a)	69	163

\*As an authorised OEIC this item is not subject to corporation tax.

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

**(c) Deferred taxation:**

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

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**6. Distributions**

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
First interim	1,009	858
Second interim	1,756	1,928
Third interim	1,465	289
Final	2,114	879
	<hr/> 6,344	<hr/> 3,954
Add: Revenue deducted on cancellation of shares	128	103
Deduct: Revenue received on creation of shares	(108)	(6)
Net distributions for the year	<hr/> <hr/> 6,364	<hr/> <hr/> 4,051

*Details of the distributions per share are set out in the Distribution Tables on pages 124 to 126.*

**7. Movement between net revenue and net distributions**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue after taxation	6,295	3,888
Tax charge on rebates taken to capital	69	163
Net distributions for the year	<hr/> <hr/> 6,364	<hr/> <hr/> 4,051

**8. Debtors**

	30/04/22 £000	30/04/21 £000
Amounts receivable for issue of shares	20	31
Accrued revenue	(1)	(8)
AMC rebates receivable	69	9
Income tax receivable	126	-
Total debtors	<hr/> <hr/> 214	<hr/> <hr/> 32

**9. Cash and bank balances**

	30/04/22 £000	30/04/21 £000
Cash and bank balances	367	801
Amounts held at futures clearing houses and brokers	1,318	1,296
Total cash and bank balances	<hr/> <hr/> 1,685	<hr/> <hr/> 2,097

**10. Other creditors**

	30/04/22 £000	30/04/21 £000
Purchases awaiting settlement	17	-
Amounts payable for cancellation of shares	326	451
Accrued expenses	307	442
Corporation tax payable	28	75
Total other creditors	<hr/> <hr/> 678	<hr/> <hr/> 968

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Lloyds Banking Group plc investments, which amount to £343,428 (30/04/21: £814,304).

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £319,098 (30/04/21: 423,019) due at the year end.

The amounts of distributions payable to companies in the Lloyds Banking Group plc which were outstanding at the year end were £422,142 (30/04/21: £0).

Distributions payable to the Lloyds Banking Group plc, parent company of the ACD during the year were £1,251,706 (30/04/21: £0).

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 81,564,500 shares (30/04/21: 486,986,996) with a cost of £93,692,237 (30/04/21: £235,215,432) and sales of 43,316,806 shares (30/04/21: 91,658,588 shares) with sales proceeds of £52,759,632 (30/04/21: £157,567,328).

The sub-fund has a related party holding of 575,981,289 shares (30/04/21: 537,733,595 shares) and value of £380,473,623 (30/04/21: £358,698,313) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £10,420,453 (30/04/21: £6,570,015).

*Shares held by associates of the ACD*

On 30th April, shares held as a percentage of the sub-fund's value were:

	30/04/22	30/04/21
	%	%
ACD and associates of the ACD	13.70	0.00

**12. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.85	1.25
Share Class A - Income	0.85	1.25
Share Class P - Accumulation	0.75	0.75
Share Class P - Income	0.75	0.75
Share Class V - Accumulation	0.50	0.50
Share Class X - Accumulation	-	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 107 to 112.

The distributions per share class are given in the Distribution Tables on pages 124 to 126.

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**12. Share classes (continued)****Reconciliation of the shares movement in the year:**

	01/05/21 Opening shares in issue	Creations	Cancellations	30/04/22 Closing shares in issue
Share Class A - Accumulation	207,304,100	23,233,544	(14,003,500)	216,534,144
Share Class A - Income	23,663,835	3,556,208	(2,241,500)	24,978,543
Share Class P - Accumulation	20,046,900	1,138,000	(1,375,500)	19,809,400
Share Class P - Income	1,760,300	75,000	(226,000)	1,609,300
Share Class V - Accumulation	7,700	-	-	7,700
Share Class X - Accumulation	-	88,631,014	(11,696,000)	76,935,014

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 102. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including futures. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £174,839 (30/04/21: £(47,145)).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Australian dollar	(2)	-
Canadian dollar	-	7,216
Euro	15,749	(3,866)
US dollar	1,736	(8,065)
Total	17,483	(4,715)

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)***(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating a high level of income, whilst providing the potential for capital growth.

The sub-fund's net cash holding of £366,507 (30/04/21: holding £313,017) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £960,954 (30/04/21: cash £1,295,538), whose rates are on based on SONIA or its international equivalent.

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	846	739
Forward currency contracts	1,063	132
<b>Total Financial derivative instrument exposure</b>	<b>1,909</b>	<b>871</b>

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 14. Risk management policies, derivatives and other financial instruments (continued)

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	30/04/22	30/04/21
	£000	£000
Bank of America - Forward currency contracts	657	118
Barclays Bank - Forward currency contracts	8	-
BNP Paribas - Forward currency contracts	-	14
Citibank - Forward currency contracts	(215)	-
HSBC Bank - Forward currency contracts	3	-
JPMorgan Chase Bank - Forward currency contracts	16	-
Morgan Stanley - Forward currency contracts	1	-
State Street Bank and Trust Company - Forward currency contracts	2	(14)
Merrill Lynch - Futures contracts	729	329
Total counterparty exposure	<b>1,201</b>	<b>447</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

<b>Collateral</b>	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	1,123	945
EUR Cash - Merrill Lynch	195	-
USD Cash - Merrill Lynch	(357)	350

No collateral was received in the current or prior year.

*(d) Liquidity risk*

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

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

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

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

As at 30th April 2022, if the price of investments held by the sub-fund increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £27,180,615 (30/04/21: £23,206,178).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	120.84	111.13
Commitment leverage	108.62	108.76

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	394,870	437,388	294,961	466,063
<b>Total net trades in the year after transaction costs</b>	<b>394,870</b>	<b>437,388</b>	<b>294,961</b>	<b>466,063</b>

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (30/04/21: 0.00%).



**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**16. Fair value**

<b>Valuation technique</b>	<b>30/04/22</b>		<b>30/04/21</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Level 1	9,394	(117)	739	(410)
Level 2	534,926	(591)	463,809	(14)
Level 3	-	-	-	-
Total fair value	544,320	(708)	464,548	(424)

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

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

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

## Cautious Income Portfolio 2

### Distribution Tables

for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st May 2021

Second interim Shares purchased prior to 1st August 2021

Third interim Shares purchased prior to 1st November 2021

Final Shares purchased prior to 1st February 2022

Group 2 First interim Shares purchased on or between 1st May 2021 and 31st July 2021

Second interim Shares purchased on or between 1st August 2021 and 31st October 2021

Third interim Shares purchased on or between 1st November 2021 and 31st January 2022

Final Shares purchased on or between 1st February 2022 and 30th April 2022

#### Share Class A - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.3491	-	0.3491	0.3313
Second interim	0.5352	-	0.5352	0.7771
Third interim	0.4392	-	0.4392	0.1075
Final	0.6842	-	0.6842	0.3587
Group 2	(p)	(p)	(p)	(p)
First interim	-	0.3491	0.3491	0.3313
Second interim	-	0.5352	0.5352	0.7771
Third interim	0.0305	0.4087	0.4392	0.1075
Final	0.0501	0.6341	0.6842	0.3587

#### Share Class A - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2454	-	0.2454	0.2349
Second interim	0.3757	-	0.3757	0.5501
Third interim	0.3075	-	0.3075	0.0757
Final	0.4780	-	0.4780	0.2527
Group 2	(p)	(p)	(p)	(p)
First interim	0.0023	0.2431	0.2454	0.2349
Second interim	0.1465	0.2292	0.3757	0.5501
Third interim	0.0497	0.2578	0.3075	0.0757
Final	0.1254	0.3526	0.4780	0.2527

## Cautious Income Portfolio 2

### Distribution Tables

(continued)

for the year ended 30th April 2022

#### Share Class P - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2942	-	0.2942	0.3282
Second interim	0.3416	-	0.3416	0.5881
Third interim	0.2868	-	0.2868	0.2031
Final	0.4270	-	0.4270	0.3506
Group 2	(p)	(p)	(p)	(p)
First interim	0.0283	0.2659	0.2942	0.3282
Second interim	-	0.3416	0.3416	0.5881
Third interim	0.0243	0.2625	0.2868	0.2031
Final	0.0948	0.3322	0.4270	0.3506

#### Share Class P - Income

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.2703	-	0.2703	0.3056
Second interim	0.3131	-	0.3131	0.5459
Third interim	0.2621	-	0.2621	0.1875
Final	0.3892	-	0.3892	0.3230
Group 2	(p)	(p)	(p)	(p)
First interim	0.0883	0.1820	0.2703	0.3056
Second interim	0.3036	0.0095	0.3131	0.5459
Third interim	0.0692	0.1929	0.2621	0.1875
Final	0.3360	0.0532	0.3892	0.3230

#### Share Class V - Accumulation

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.5737	-	0.5737	0.6457
Second interim	0.6453	-	0.6453	1.0323
Third interim	0.5666	-	0.5666	0.4468
Final	0.7706	-	0.7706	0.6624
Group 2	(p)	(p)	(p)	(p)
First interim	0.5737	-	0.5737	0.6457
Second interim	0.6453	-	0.6453	1.0323
Third interim	0.5666	-	0.5666	0.4468
Final	0.7706	-	0.7706	0.6624

**Distribution Tables****(continued)**

for the year ended 30th April 2022

**Share Class X - Accumulation**

	Gross revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
First interim	0.1067	-	0.1067	-
Second interim	0.4849	-	0.4849	-
Third interim	0.4454	-	0.4454	-
Final	0.5487	-	0.5487	-
Group 2	(p)	(p)	(p)	(p)
First interim	0.0042	0.1025	0.1067	-
Second interim	0.0926	0.3923	0.4849	-
Third interim	0.1206	0.3248	0.4454	-
Final	0.1534	0.3953	0.5487	-

# International Equity Tracker Fund

## Investment Markets Overview

for the year ended 30th April 2022

### Investment Objectives

To track the performance of the FTSE All-World ex UK Index (the "Index"), before deduction of fees, through exposure to international shares (excluding UK shares).

### Investment Policy

The Fund aims to replicate the characteristics and performance of the Index by investing in a representative sample of shares of companies across the country and regional weightings within the Index.

The Fund may include other security types which form part of the Index or may be representative of a share in the Index, such as depositary receipts. The Fund may also gain exposure to the Index through the use of derivatives and collective investment schemes, including those managed by the ACD and its associates.

Derivatives and stock lending may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management).

The FTSE All-World ex UK Index provides a representation of the returns of shares in the international equity ex-UK market.

### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 9th May 2022.	Typically lower rewards, lower risks							Typically higher rewards, higher risks	
	←							→	
	1	2	3	4	5	6	7		

### Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
International Equity Tracker Fund I Accumulation	6.40	27.40	0.75	10.44	6.59
FTSE All-World ex UK Index†	4.01	33.28	(0.98)	11.15	7.18

Source: Financial Express for International Equity Tracker Fund. Basis: Gross revenue reinvested and net of expenses.

Source: Financial Express for FTSE All-World ex UK Index (GBP). Basis: Total return net of tax.

†The index tracked by the Fund changed from FTSE All-World ex UK Index to FTSE All-World ex UK Custom Screened Index on 3.5.2022. The index performance displayed shows the original index as this applied during the time periods illustrated. The International Equity Tracker Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). The LSE Group does not accept any liability whatsoever to any person arising out of the use of the FTSE All-World ex UK Index or the FTSE All-World ex UK Custom Screened Index, or the underlying data.

Please note that the Fund and benchmark values are struck at different points in the day, with the benchmark struck at the close of business. This timing difference may have the effect of showing the Fund performing significantly above or below the benchmark. On a like-for-like basis the gross return for the International Equity Tracker Fund was 7.04% whilst its benchmark returned 6.79%.

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.

Global stock markets rose over the past 12 months, although they have struggled in 2022 so far. Lifted by vaccine rollouts, supportive government policies and healthy company results, developed market shares rallied in the spring and summer of 2021. More recently, though, investors' concerns over inflation and rising interest rates, made worse by Russia's invasion of Ukraine in February, have led to volatile market conditions. In particular, technology stocks, which have performed well in recent years, have sold off sharply due to the prospect of higher rates.

for the year ended 30th April 2022

**Investment Review (continued)**

It was a tough start to 2022 for financial markets. Global stock and bond markets fell heavily in January on worries that interest rates in western economies will have to rise faster and further than previously anticipated. Having initially dismissed surging inflationary pressures as 'transitory', despite the highest inflation rates in decades, the major western central banks have adopted a tougher tone in recent months. The US and UK central banks have already begun to raise interest rates, and further increases are expected this year. High inflation in Europe means the European Central Bank is expected to follow suit and start hiking its main interest rate later this year.

February brought more market volatility after Russia invaded Ukraine. Energy markets were especially affected, with oil and natural gas prices rocketing. Hopes of a negotiated resolution to the conflict meant developed stock markets recovered slightly in March, before falling again in April as inflation continued to dominate the economic and market agenda.

Over the period, the top performers within the FTSE All-World ex UK Index, the Parent Index, included Apple, Microsoft, Tesla, ExxonMobil and UnitedHealth Group. Conversely, among the worst performers were Amazon.com, Meta Platforms (Class A shares), Alibaba Group Holding, PayPal Holdings and Tencent Holdings.

The Russia-Ukraine conflict is likely to dominate news flow in the short term, with the conflict adding to the challenging macroeconomic backdrop for global equities, and putting more pressure on energy and commodity prices. Markets will remain volatile, with Covid-19 variants, rising inflation, higher rates and the slowdown in China weighing on sentiment. That said, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. Corporate results also suggest that earnings are holding up quite well, despite cost pressures and supply chain disruptions.

Aberdeen Asset Investments Limited  
May 2022

# International Equity Tracker Fund

## Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>BASIC MATERIALS (3.80%, 30/04/21 0.00%)</b>			
<b>Chemicals</b>			
Air Liquide	1,668	231	0.14
Air Products & Chemicals	765	143	0.09
Air Water	900	10	0.01
Akzo Nobel	621	43	0.03
Albemarle	391	60	0.04
Arkema	284	26	0.02
Asahi Kasei	4,300	28	0.02
BASF	3,238	137	0.08
Brenntag	564	35	0.02
Celanese	421	49	0.03
CF Industries	653	50	0.03
Clariant	855	12	0.01
Covestro	622	22	0.01
Denka	400	9	0.01
Dow	2,535	134	0.08
Eastman Chemical	506	41	0.02
Ecolab	837	113	0.07
EMS-Chemie	28	20	0.01
Evonik Industries	714	15	0.01
FMC	471	50	0.03
Formosa Chemicals & Fibre	13,000	28	0.02
FUCHS PETROLUB Preference Shares	244	6	0.00
Givaudan	34	109	0.07
ICL	2,077	18	0.01
IMCD	194	25	0.02
Incitec Pivot	7,694	17	0.01
International Flavors & Fragrances	800	77	0.05
JSR	900	20	0.01
Kingboard	5,000	18	0.01
Kumho Petrochemical	75	7	0.00
Kuraray	1,400	9	0.01
LANXESS	274	8	0.00
LG Chem	169	56	0.03
Linde	1,767	439	0.27
LyondellBasell Industries	883	75	0.05
Mitsubishi Chemical	5,200	25	0.01
Mitsubishi Gas Chemical	1,400	16	0.01
Mitsui Chemicals	900	16	0.01
Nan Ya Plastics	18,871	44	0.03
Nippon Sanso	600	9	0.01
Nissan Chemical	500	21	0.01
Nitto Denko	500	27	0.02
NOF	300	9	0.01
Nutrien	1,969	155	0.10
Orica	1,339	12	0.01
Petronas Chemicals	14,500	27	0.02
PTT Global Chemical	7,900	9	0.01
SABIC Agri-Nutrients	489	17	0.01
Sahara International Petrochemical	1,378	17	0.01
Sasol	2,303	46	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Saudi Basic Industries	3,216	89	0.05
Saudi Kayan Petrochemical	3,129	13	0.01
Shin-Etsu Chemical	1,431	158	0.10
Showa Denko	500	8	0.00
SKC	104	10	0.01
Sociedad Quimica y Minera de Chile Preference Shares	591	35	0.02
Solvay	267	20	0.01
Sumitomo Chemical	7,600	26	0.02
Symrise	505	48	0.03
Tokai Carbon	600	4	0.00
Toray Industries	6,400	24	0.01
Tosoh	1,200	13	0.01
Umicore	709	22	0.01
Wanhua Chemical	1,500	14	0.01
Westlake	145	15	0.01
Yanbu National Petrochemical	1,097	14	0.01
Yara International	547	22	0.01
		3,125	1.94
<b>Industrial Materials</b>			
Avery Dennison	268	39	0.02
Eclat Textile	1,000	13	0.01
Far Eastern New Century	17,000	14	0.01
Holmen	251	12	0.01
Industries Qatar	5,177	21	0.01
International Paper	1,344	49	0.03
Klabin	5,100	17	0.01
Oji	3,200	12	0.01
Stora Enso	2,027	32	0.02
Suzano	3,100	25	0.01
Svenska Cellulosa	1,915	30	0.02
UPM-Kymmene	1,802	50	0.03
		314	0.19
<b>Industrial Metals &amp; Mining</b>			
Allkem	2,177	15	0.01
Alumina	8,244	8	0.01
Aluminum Corp of China	28,000	11	0.01
ArcelorMittal	2,235	53	0.03
BHP	17,620	479	0.30
BlueScope Steel	1,837	21	0.01
Boliden	1,224	43	0.03
China Hongqiao	12,000	12	0.01
China Molybdenum	24,000	10	0.01
China Steel	47,814	47	0.03
Cia Siderurgica Nacional	3,200	11	0.01
Eregli Demir Ve Celik Fabrik	7,256	13	0.01
Fastenal	1,954	86	0.05
Fortescue Metals	5,726	70	0.04
Freeport-McMoRan	4,989	161	0.10
Ganfeng Lithium	800	8	0.01
Gerdau Preference Shares	5,400	24	0.01



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Grupo Mexico	13,621	50	0.03
Hitachi Metals	800	10	0.01
Hyundai Steel	310	8	0.01
IGO	2,710	20	0.01
Iluka Resources	1,596	10	0.01
JFE	1,700	17	0.01
Jiangxi Copper	9,000	11	0.01
KGHM Polska Miedz	646	17	0.01
Lynas Rare Earths	2,860	15	0.01
Mineral Resources	594	20	0.01
MMC Norilsk Nickel ADR*	1,901	-	-
Nippon Steel	2,900	37	0.02
Norsk Hydro	5,371	37	0.02
Novolipetsk Steel GDR*	686	-	-
NSK	1,300	6	0.00
Nucor	939	116	0.07
OZ Minerals	1,789	25	0.02
Pilbara Minerals	9,999	16	0.01
POSCO	268	49	0.03
POSCO Chemical	115	10	0.01
Press Metal Aluminium	21,300	23	0.01
Rio Tinto	1,365	87	0.05
Saudi Arabian Mining	1,805	53	0.03
Severstal PAO GDR*	1,057	-	-
SKF	1,459	19	0.01
South32	18,033	49	0.03
Southern Copper	377	19	0.01
Steel Dynamics	778	53	0.03
Sumitomo Metal Mining	1,149	40	0.02
voestalpine	429	9	0.01
		1,898	1.18
<b>Precious Metals &amp; Mining</b>			
Agnico Eagle Mines	1,598	74	0.04
Alrosa*	9,200	-	-
Anglo American Platinum	245	22	0.01
AngloGold Ashanti	1,468	24	0.01
Barrick Gold	6,173	110	0.07
Evolution Mining	5,139	12	0.01
Franco-Nevada	665	80	0.05
Gold Fields	3,166	35	0.02
Impala Platinum	2,859	30	0.02
Korea Zinc	70	26	0.02
Newcrest Mining	2,916	44	0.03
Newmont	2,782	161	0.10
Northam Platinum	1,490	14	0.01
Northern Star Resources	3,844	21	0.01
Polyus GDR*	212	-	-
Sibanye Stillwater	9,755	27	0.02
Wheaton Precious Metals	1,670	60	0.04

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Zijin Mining 'A' Shares	12,400	17	0.01
Zijin Mining 'H' Shares	26,000	31	0.02
		788	0.49
<b>TOTAL BASIC MATERIALS</b>		<b>6,125</b>	<b>3.80</b>
<b>CASH EQUIVALENTS (0.00%, 30/04/21 84.01%)</b>			
<b>CONSUMER DISCRETIONARY (13.69%, 30/04/21 0.00%)</b>			
<b>Automobiles &amp; Parts</b>			
Aisin	900	21	0.01
Aptiv	878	74	0.05
Astra International	97,200	40	0.02
Autoliv	311	18	0.01
Bayerische Motoren Werke	1,135	75	0.05
Bayerische Motoren Werke Preference Shares	208	12	0.01
BorgWarner	776	23	0.01
Bridgestone	1,942	57	0.04
BYD 'A' Shares	700	21	0.01
BYD 'H' Shares	3,065	73	0.04
Cie Generale des Etablissements Michelin	620	62	0.04
Contemporary Amperex Technology	600	30	0.02
Continental	315	17	0.01
Denso	1,636	80	0.05
D'ieteren	84	11	0.01
Dongfeng Motor	16,000	9	0.01
Faurecia	374	7	0.00
Ferrari	431	73	0.04
Ford Motor	13,127	148	0.09
Geely Automobile	21,000	26	0.02
General Motors	4,636	140	0.09
Gentex	935	22	0.01
Genuine Parts	526	55	0.03
Great Wall Motor	13,000	15	0.01
Guangzhou Automobile	20,000	14	0.01
Hankook Tire & Technology	373	8	0.00
Hella	138	7	0.00
Honda Motor	6,128	129	0.08
Hyundai Mobis	244	32	0.02
Hyundai Motor	523	62	0.04
Hyundai Motor Preference Shares	171	10	0.01
Kia	968	51	0.03
Koito Manufacturing	400	12	0.01
Lear	191	19	0.01
Li Auto ADR	1,477	26	0.02
LKQ	996	39	0.02
Lucid	1,380	20	0.01
Magna International	1,009	49	0.03
Mazda Motor	2,000	11	0.01
Mercedes-Benz	2,897	164	0.10

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
NGK Spark Plug	800	10	0.01
NIO ADR	4,371	58	0.04
Nissan Motor	6,600	21	0.01
Nokian Renkaat	435	5	0.00
Pirelli & C	2,268	9	0.01
Porsche Automobil Preference Shares	549	37	0.02
Renault	625	12	0.01
Rivian Automotive	480	12	0.01
Stanley Electric	800	11	0.01
Stellantis	7,266	79	0.05
Subaru	2,000	24	0.01
Sumitomo Electric Industries	3,100	27	0.02
Suzuki Motor	1,637	39	0.02
Tesla	2,852	1,977	1.23
Toyota Industries	700	34	0.02
Toyota Motor	42,893	589	0.37
Valeo	696	10	0.01
Volkswagen	95	17	0.01
Volkswagen Preference Shares	659	82	0.05
XPeng ADR	1,642	32	0.02
		4,847	3.01
<b>Consumer Services</b>			
Adevinta	693	4	0.00
Allegro.eu	1,212	5	0.00
Copart	655	59	0.04
Delivery Hero	623	18	0.01
Didi Global	9,154	14	0.01
eBay	2,161	89	0.05
IDP Education	756	12	0.01
Localiza Rent a Car	2,700	23	0.01
Lyft	954	25	0.02
MercadoLibre	159	123	0.08
New Oriental Education & Technology ADR	465	5	0.00
Pinduoduo ADR	1,277	44	0.03
Rollins	803	21	0.01
Sats	3,700	10	0.01
TAL Education ADR	1,257	3	0.00
Uber Technologies	5,583	140	0.09
		595	0.37
<b>Household Goods &amp; Home Construction</b>			
Coway	207	9	0.01
Daiwa House Industry	2,396	46	0.03
De' Longhi	274	5	0.00
DR Horton	1,103	61	0.04
Electrolux	967	12	0.01
Haier Smart Home	7,800	22	0.01
Henkel	456	23	0.01
Henkel Preference Shares	529	27	0.02
Husqvarna	1,320	10	0.01
Iida	500	7	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Lennar	914	56	0.04
Makita	900	22	0.01
Newell Brands	1,168	22	0.01
NVR	11	38	0.02
PulteGroup	873	29	0.02
Rinnai	200	10	0.01
SEB	152	15	0.01
Sekisui Chemical	1,600	17	0.01
Sekisui House	2,659	37	0.02
Techtronic Industries	4,683	51	0.03
Whirlpool	210	30	0.02
		549	0.34
<b>Leisure Goods</b>			
Activision Blizzard	2,600	157	0.10
Bandai Namco	718	39	0.02
Capcom	600	13	0.01
Casio Computer	900	7	0.00
CD Projekt	211	5	0.00
Electronic Arts	980	92	0.06
Garmin	545	48	0.03
Giant Manufacturing	2,000	13	0.01
Hasbro	380	27	0.02
HLB	305	6	0.00
Kingsoft	5,600	14	0.01
Konami	300	15	0.01
Krafton	97	15	0.01
LG Electronics	431	32	0.02
NCSOFT	66	18	0.01
NetEase	5,091	79	0.05
Nexon	1,500	27	0.02
Nikon	900	8	0.01
Nintendo	410	151	0.09
Panasonic	7,660	55	0.03
Pool	129	42	0.03
Pop Mart International	1,600	6	0.00
Sega Sammy	1,000	14	0.01
Shimano	317	45	0.03
Sony	4,291	296	0.18
Square Enix	300	10	0.01
Take-Two Interactive Software	383	36	0.02
Ubisoft Entertainment	283	10	0.01
Yamaha	500	15	0.01
Yamaha Motor	1,200	20	0.01
		1,315	0.82
<b>Media</b>			
AMC Entertainment	1,717	21	0.01
carsales.com	858	10	0.01
CTS Eventim	153	8	0.00
Dentsu	600	17	0.01
Fox 'A' Shares	1,078	31	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Fox 'B' Shares	423	11	0.01
Grupo Televisa	8,500	12	0.01
Hakuhodo DY	400	4	0.00
HYBE	61	10	0.01
Interpublic Group of Companies	1,196	31	0.02
Liberty Media Cor Siriusxm A	272	9	0.01
Liberty Media Corp-Liberty SiriusXM	407	14	0.01
Netflix	1,477	224	0.14
News	1,331	21	0.01
News 'B' Shares	479	8	0.00
Nielsen	1,179	25	0.02
Omnicom	677	41	0.03
Paramount	1,939	45	0.03
Publicis	703	34	0.02
Schibsted 'B' Shares	343	5	0.00
Sirius XM	2,658	13	0.01
Spotify Technology	473	38	0.02
Toho	300	9	0.01
Trade Desk	1,435	67	0.04
Universal Music	2,807	53	0.03
Vivendi	2,695	25	0.02
Walt Disney	6,226	554	0.34
Warner Bros Discovery	6,987	101	0.06
Wolters Kluwer	948	77	0.05
		1,518	0.95
<b>Personal Goods</b>			
adidas	677	110	0.07
Amorepacific	119	14	0.01
ANTA Sports Products	4,088	38	0.02
Asics	600	8	0.00
Chow Tai Fook Jewellery	12,000	16	0.01
Cie Financiere Richemont	1,803	171	0.11
Estee Lauder	772	162	0.10
Feng TAY Enterprise	2,000	10	0.01
Hermes International	111	111	0.07
Kering	261	113	0.07
Kose	100	8	0.00
Li Ning	8,171	52	0.03
L'Oreal	845	248	0.15
LPP	7	12	0.01
Lululemon Athletica	390	110	0.07
LVMH Moet Hennessy Louis Vuitton	859	447	0.28
Moncler	738	31	0.02
Natura	3,700	11	0.01
NIKE	4,259	423	0.26
Pandora	335	24	0.01
Pou Chen	13,000	11	0.01
PRADA	1,900	9	0.01
Puma	326	19	0.01
Samsonite International	6,300	11	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Shenzhou International	2,900	32	0.02
Shiseido	1,461	55	0.03
Swatch	99	21	0.01
VF	1,074	44	0.03
		<b>2,321</b>	<b>1.44</b>
<b>Retailers</b>			
Advance Auto Parts	245	39	0.02
Alibaba	49,225	510	0.32
Amazon.com	1,487	2,944	1.83
Americanas	2,567	10	0.01
Auto1	317	3	0.00
AutoZone	75	117	0.07
Bath & Body Works	780	33	0.02
Best Buy	829	59	0.04
Burlington Stores	211	34	0.02
Canadian Tire	185	20	0.01
CarMax	518	35	0.02
Carvana	264	12	0.01
China Tourism Group Duty Free	700	15	0.01
Costco Wholesale	1,518	643	0.40
Coupang	1,850	19	0.01
Dollar General	776	147	0.09
Dollar Tree	781	101	0.06
Dollarama	969	43	0.03
E-MART	88	7	0.00
Etsy	441	33	0.02
Falabella	4,531	10	0.01
Farfetch	1,053	9	0.01
Fast Retailing	205	76	0.05
Foschini	1,257	9	0.01
Hennes & Mauritz	2,971	30	0.02
Home Depot	3,577	856	0.53
Home Product Center	23,500	8	0.00
Hotai Motor	1,000	16	0.01
Hotel Shilla	170	9	0.01
Industria de Diseno Textil	3,777	64	0.04
Jarir Marketing	264	11	0.01
JB Hi-Fi	503	15	0.01
JD.com	5,393	145	0.09
Lojas Renner	3,630	14	0.01
Lowe's	2,336	368	0.23
Magazine Luiza	10,900	9	0.01
Marui	500	7	0.00
MonotaRO	800	11	0.01
Mr Price	938	10	0.01
Nitori	300	25	0.02
O'Reilly Automotive	243	117	0.07
Pan Pacific International	1,600	20	0.01
Ross Stores	1,109	88	0.05
Ryohin Keikaku	800	6	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Seven & i	2,759	97	0.06
Siam Makro	1,400	1	0.00
Target	1,654	301	0.19
TJX	3,978	194	0.12
Tractor Supply	403	65	0.04
Ulta Beauty	180	57	0.03
USS	1,200	16	0.01
Vipshop ADR	1,474	9	0.01
Walmart	4,858	592	0.37
Wal-Mart de Mexico	18,309	51	0.03
Wayfair	237	14	0.01
Wesfarmers	4,249	119	0.07
Woolworths (South African Listing)	3,318	10	0.01
Yamada	2,600	6	0.00
Zalando	743	23	0.01
Zhongsheng	3,500	19	0.01
ZOZO	500	8	0.00
		8,339	5.18
<b>Travel &amp; Leisure</b>			
Accor	522	14	0.01
ANA	600	9	0.00
Aramark	766	22	0.01
Aristocrat Leisure	2,386	45	0.03
Booking	140	246	0.15
BTS W6~	2,345	0	0.00
Caesars Entertainment	708	37	0.02
Carnival	2,936	40	0.02
Chipotle Mexican Grill	97	112	0.07
Crown Resorts	1,188	9	0.00
Darden Restaurants	473	50	0.03
Delta Air Lines	281	10	0.01
Deutsche Lufthansa	1,934	12	0.01
Domino's Pizza	127	34	0.02
Domino's Pizza Enterprises	191	8	0.00
DraftKings	1,034	11	0.01
Eva Airways	9,000	9	0.01
Evolution	605	51	0.03
Expedia	445	62	0.04
Food & Life	400	8	0.00
Galaxy Entertainment	8,000	37	0.02
Genting	11,800	10	0.01
Genting Singapore	34,100	16	0.01
Haidilao International	3,000	5	0.00
Hilton Worldwide	879	109	0.07
Huazhu ADR	720	17	0.01
Japan Airlines	700	9	0.01
Kangwon Land	477	8	0.00
Keio	300	9	0.00
Korean Air Lines	725	14	0.01
Kyushu Railway	600	9	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
La Francaise des Jeux SAEM	302	9	0.01
Las Vegas Sands	1,004	28	0.02
Live Nation Entertainment	413	35	0.02
Marriott International	874	124	0.08
McDonald's	2,574	511	0.32
MGM Resorts International	1,277	42	0.03
Minor International	15,700	13	0.01
OPAP	821	10	0.01
Oriental Land	613	75	0.05
Peloton Interactive	867	12	0.01
Qantas Airways	1,991	6	0.00
Restaurant Brands International	1,036	47	0.03
Royal Caribbean Cruises	655	41	0.02
Sands China	9,600	17	0.01
Singapore Airlines	7,200	23	0.01
Skylark	500	5	0.00
Sodexo	328	20	0.01
Southwest Airlines	278	10	0.01
Starbucks	3,970	236	0.15
Tabcorp	6,985	22	0.01
Trip.com ADR	1,662	31	0.02
United Airlines Holdings	233	9	0.01
Vail Resorts	131	26	0.02
Wynn Resorts	324	18	0.01
Yum China	1,435	48	0.03
Yum! Brands	1,029	96	0.06
		2,546	1.58
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>22,030</b>	<b>13.69</b>
<b>CONSUMER SERVICES-DISCONTINUED (0.01%, 30/04/21 0.00%)</b>			
<b>Retailers</b>			
Central Retail	10,400	10	0.01
		10	0.01
<b>TOTAL CONSUMER SERVICES-DISCONTINUED</b>		<b>10</b>	<b>0.01</b>
<b>CONSUMER STAPLES (5.60%, 30/04/21 0.00%)</b>			
<b>Beverages</b>			
Ambev	17,675	41	0.03
Anheuser-Busch InBev	2,911	135	0.08
Arca Continental Sab De Cv	2,100	11	0.01
Asahi	1,565	47	0.03
Brown-Forman	627	34	0.02
Budweiser Brewing	6,100	12	0.01
Carlsberg	370	38	0.02
China Resources Beer	6,000	28	0.02
Coca-Cola	13,339	687	0.43
Coca-Cola Europacific Partners	698	28	0.02



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Coca-Cola Femsa	2,830	12	0.01
Constellation Brands	510	100	0.06
Davide Campari-Milano	1,695	15	0.01
Fomento Economico Mexicano	7,176	43	0.03
Heineken	425	27	0.02
Heineken (company during takeover/merger)	898	70	0.04
Ito En	200	7	0.00
Jde Peet S Nv	459	11	0.01
Keurig Dr Pepper	2,343	70	0.04
Kirin	2,800	33	0.02
Kweichow Moutai	289	64	0.04
Luzhou Laojiao	500	13	0.01
Molson Coors Beverage	561	24	0.01
Monster Beverage	1,259	86	0.05
Nongfu Spring	5,400	23	0.01
PepsiCo	4,766	652	0.40
Pernod Ricard	740	123	0.08
Remy Cointreau	72	11	0.01
Royal Unibrew	188	13	0.01
Shanxi Xinghuacun Fen Wine Factory	620	20	0.01
Suntory Beverage & Food	700	22	0.01
Treasury Wine Estates	2,121	13	0.01
Tsingtao Brewery	2,000	13	0.01
Wuliangye Yibin	1,600	31	0.02
		2,557	1.59
<b>Food Producers</b>			
a2 Milk	3,359	8	0.00
Ajinomoto	2,085	43	0.03
Almarai	793	9	0.01
Archer-Daniels-Midland	1,909	136	0.08
Barry Callebaut	13	24	0.01
BRF	3,400	7	0.00
Bunge	419	38	0.02
Campbell Soup	703	26	0.02
Charoen Pokphand Foods	17,000	10	0.01
Charoen Pokphand Indonesia	29,100	8	0.00
China Feihe	7,000	5	0.00
China Mengniu Dairy	12,479	54	0.03
Chocoladefabriken Lindt	3	27	0.02
CJ CheilJedang	57	14	0.01
Conagra Brands	1,701	47	0.03
Corteva	2,496	115	0.07
Danone	2,208	107	0.07
Foshan Haitian Flavouring	1,300	13	0.01
General Mills	2,131	120	0.07
Glanbia	885	9	0.00
Gruma	1,010	10	0.01
Grupo Bimbo	10,900	27	0.02
Hershey	504	91	0.06
Hormel Foods	941	39	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Inner Mongolia Yili Indus A	3,700	17	0.01
IOI	16,900	14	0.01
J M Smucker	367	40	0.02
JBS	4,700	29	0.02
Kellogg	829	45	0.03
Kerry	561	50	0.03
Kikkoman	600	27	0.02
Koninklijke DSM	587	79	0.05
Kraft Heinz	2,208	75	0.05
Kuala Lumpur Kepong Bhd	2,100	11	0.01
Lamb Weston	502	26	0.02
McCormick	889	71	0.04
MEIJI	400	16	0.01
Mondelez International	4,742	244	0.15
Mowi	1,423	32	0.02
Muyuan Foodstuff	1,900	12	0.01
Nestle	9,626	995	0.62
Nestle (malaysia) Berhad	1,000	24	0.01
NH Foods	400	10	0.01
Nichirei	500	7	0.00
Nisshin Seifun	1,200	13	0.01
Nissin Foods	300	17	0.01
Orkla	2,685	18	0.01
PPB	4,100	13	0.01
Salmar	185	12	0.01
Saputo	868	15	0.01
Sime Darby Plantation	17,600	17	0.01
Tingyi Cayman Islands	8,000	12	0.01
Tongwei	1,900	9	0.01
Toyo Suisan Kaisha	400	10	0.01
Tyson Foods	910	68	0.04
Uni-President Enterprises	19,000	35	0.02
Want Want China	22,000	16	0.01
WH	41,500	23	0.01
Wilmar International	11,700	30	0.02
Yakult Honsha	500	21	0.01
		3,140	1.95
<b>Personal Care, Drug &amp; Grocery Stores</b>			
Aeon	2,454	37	0.02
Alibaba Health Information Technology	20,000	9	0.01
AmerisourceBergen	468	56	0.04
Beiersdorf	328	26	0.02
Bid	1,450	24	0.02
BIM Birlesik Magazalar	3,799	17	0.01
Carrefour	1,982	33	0.02
Cencosud	5,709	7	0.00
Church & Dwight	923	72	0.04
Clicks	890	14	0.01
Clorox	457	52	0.03
Coles	4,284	45	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Colgate-Palmolive	2,817	173	0.11
Colruyt	164	5	0.00
Cosmos Pharmaceutical	100	7	0.00
CP ALL	21,000	32	0.02
CVS Health	4,475	343	0.21
Dino Polska	206	11	0.01
Endeavour	3,865	17	0.01
Essity	2,177	46	0.03
George Weston	301	30	0.02
HelloFresh	513	17	0.01
Hengan International	3,000	11	0.01
JD Health International	2,550	13	0.01
Jeronimo Martins	793	13	0.01
Kao	1,668	54	0.03
Kesko	1,116	23	0.01
Kimberly-Clark	1,198	132	0.08
Koninklijke Ahold Delhaize	3,648	86	0.05
Kroger	2,503	108	0.07
LG Household & Health Care	38	22	0.01
Lion	800	7	0.00
Loblaw	665	49	0.03
Magnit GDR*	1,305	-	-
MatsukiyoCocokara	300	8	0.01
McKesson	525	129	0.08
Medipal	900	12	0.01
Metro CN	937	41	0.03
Pigeon	500	7	0.00
President Chain Store	2,000	15	0.01
Procter & Gamble	8,295	1,061	0.66
Raia Drogasil	4,100	14	0.01
Sendas Distribuidora	3,800	9	0.01
Shoptite	1,709	20	0.01
Sinopharm	6,400	12	0.01
Sysco	1,651	112	0.07
Tsuruha	100	4	0.00
Unicharm	1,565	44	0.03
Walgreens Boots Alliance	2,311	78	0.05

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Welcia	400	7	0.00
Woolworths (Australian Listing)	4,617	101	0.06
		3,265	2.03
<b>Tobacco</b>			
Japan Tobacco	4,086	56	0.03
		56	0.03
<b>TOTAL CONSUMER STAPLES</b>		<b>9,018</b>	<b>5.60</b>
<b>ENERGY (3.92%, 30/04/21 0.00%)</b>			
<b>Alternative Energy</b>			
China Conch Environment Protection	7,000	5	0.00
China Conch Venture	7,000	15	0.01
China Longyuan Power	13,000	20	0.01
Enphase Energy	467	60	0.04
Plug Power	1,725	29	0.02
Siemens Energy	1,298	20	0.01
Siemens Gamesa Renewable Energy	708	9	0.01
SolarEdge Technologies	168	34	0.02
Vestas Wind Systems	3,513	72	0.04
Xinyi Solar	16,000	19	0.01
		283	0.17
<b>Oil, Gas &amp; Coal</b>			
Abu Dhabi National Oil Co for Distribution	14,079	13	0.01
Aker BP	528	15	0.01
Ampol	868	17	0.01
APA	3,751	24	0.01
Baker Hughes	2,565	63	0.04
Cheniere Energy	824	89	0.06
Chevron	6,611	825	0.51
ConocoPhillips	4,501	342	0.21
Cosan	5,800	20	0.01
Coterra Energy	2,706	62	0.04
Devon Energy	2,253	104	0.06
Dialog	20,700	9	0.01
Diamondback Energy	594	60	0.04
Ecopetrol	21,421	14	0.01
Empresas Copec	2,886	17	0.01
Enagas	921	16	0.01
Enbridge	7,027	246	0.15
ENEOS	11,400	32	0.02
Eni	9,114	102	0.06
EOG Resources	1,994	185	0.12
Equinor	3,575	98	0.06
Exxon Mobil	14,526	985	0.61
Formosa Petrochemical	6,000	15	0.01
Galp Energia	2,005	20	0.01
Gazprom ADR*	18,200	-	-
Halliburton	3,136	89	0.06

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Hess	980	80	0.05
Idemitsu Kosan	1,000	21	0.01
Inpex	2,900	27	0.02
Keppel	5,900	23	0.01
Kinder Morgan	6,694	97	0.06
Koc Holding As	5,957	13	0.01
Kunlun Energy	16,000	11	0.01
LUKOIL ADR*	1,322	-	-
Lundin Energy	660	22	0.01
Marathon Petroleum	2,091	145	0.09
MOL Hungarian Oil & Gas	1,383	9	0.01
Neste	1,519	53	0.03
Novatek GDR*	368	-	-
Occidental Petroleum	2,931	129	0.08
OMV	528	22	0.01
ONEOK	1,570	79	0.05
Pembina Pipeline	2,020	61	0.04
Petro Rio	2,800	12	0.01
Petroleo Brasileiro	13,787	74	0.05
Petroleo Brasileiro Preference Shares	20,630	101	0.06
Phillips 66	1,609	111	0.07
Pioneer Natural Resources	758	140	0.09
Polski Koncern Naftowy ORLEN	1,245	17	0.01
Polskie Gornictwo Naftowe i Gazownictwo	5,646	6	0.00
PTT	59,661	52	0.03
PTT Exploration & Production	6,400	22	0.01
Repsol	4,997	60	0.04
Rosneft Oil GDR*	5,061	-	-
Santos	11,184	51	0.03
Saudi Arabian Oil	9,456	90	0.06
Schlumberger	4,807	149	0.09
SK Innovation	198	26	0.02
Snam	7,703	34	0.02
Surgutneftegas ADR*	4,516	-	-
Surgutneftegas Preference Shares*	30,827	-	-
Tatneft ADR*	910	-	-
TC Energy	3,520	149	0.09
Tenaris	1,894	23	0.01
TotalEnergies	8,546	339	0.21
Tupras Turkiye Petrol Rafine	819	10	0.01
Valero Energy	1,403	125	0.08
Vibra Energia	3,400	12	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Williams	4,195	115	0.07
Woodside Petroleum	3,530	62	0.04
		6,034	3.75
<b>TOTAL ENERGY</b>		<b>6,317</b>	<b>3.92</b>

### FINANCIALS (17.67%, 30/04/21 8.18%)

#### Banks

ABN AMRO Bank	1,386	14	0.01
Absa	2,877	25	0.02
Abu Dhabi Commercial Bank	8,109	18	0.01
Abu Dhabi Islamic Bank	6,129	12	0.01
Agricultural Bank of China 'A' Shares	80,300	30	0.02
Agricultural Bank of China 'H' Shares	126,000	38	0.02
Ahli United Bank	32,510	27	0.02
Al Rajhi Bank	4,334	163	0.10
Alinma Bank	4,337	38	0.02
Alpha Services And Holdings	8,970	8	0.00
Aozora Bank	500	8	0.00
Arab National Bank	2,382	18	0.01
Australia & New Zealand Banking	10,214	158	0.10
Banca Transilvania	22,317	9	0.01
Banco Bilbao Vizcaya Argentaria	23,050	98	0.06
Banco Bradesco	7,040	17	0.01
Banco Bradesco Preference Shares	19,525	56	0.03
Banco de Chile	182,223	14	0.01
Banco do Brasil	4,300	23	0.01
Banco Inter Preference Shares	3,700	3	0.00
Banco Santander	60,088	142	0.09
Banco Santander Chile	345,812	13	0.01
Bancolombia	1,084	8	0.00
Bancolombia Preference Shares	1,967	15	0.01
Bank AlBilad	2,330	26	0.02
Bank Central Asia	202,724	90	0.06
Bank Hapoalim	4,448	33	0.02
Bank Leumi Le-Israel	5,991	50	0.03
Bank Mandiri	99,776	49	0.03
Bank of America	24,435	694	0.43
Bank of China	300,256	94	0.06
Bank Of Communication	46,900	29	0.02
Bank of Communications	40,000	22	0.01
Bank of Kyoto	400	14	0.01
Bank of Montreal	2,277	193	0.12
Bank Of Ningbo	3,600	16	0.01
Bank of Nova Scotia	4,219	214	0.13
Bank of Queensland	2,553	12	0.01
Bank of the Philippine Islands	7,530	11	0.01
Bank Polska Kasa Opieki	779	14	0.01
Bank Rakyat Indonesia	321,714	86	0.05
Bankinter	2,542	12	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Banque Cantonale Vaudois	142	10	0.01
Banque Saudi Fransi	2,106	24	0.01
BDO Unibank	7,290	14	0.01
Bendigo & Adelaide Bank	1,520	9	0.01
BNP Paribas	3,878	162	0.10
BOC Hong Kong	16,636	48	0.03
CaixaBank	16,267	42	0.03
Canadian Imperial Bank of Commerce	1,543	137	0.08
Capitec Bank	326	37	0.02
Chang Hwa Commercial Bank	39,390	20	0.01
Chiba Bank	2,300	11	0.01
China CITIC Bank	57,000	23	0.01
China Construction Bank	340,086	193	0.12
China Merchants Bank 'A' Shares	8,100	39	0.02
China Merchants Bank 'H' Shares	14,297	69	0.04
China Minsheng Banking	34,500	10	0.01
CIMB	23,300	22	0.01
Citigroup	6,643	255	0.16
Citizens Financial	1,746	55	0.03
Comerica	470	31	0.02
Commerce Bancshares	326	18	0.01
Commercial Bank PSQC	11,511	19	0.01
Commercial International Bank Egypt	5,238	10	0.01
Commerzbank	4,008	21	0.01
Commonwealth Bank of Australia	5,940	349	0.22
Concordia Financial	4,400	13	0.01
Credicorp	280	31	0.02
Credit Agricole	4,260	37	0.02
CTBC Financial	73,794	58	0.04
Danske Bank	2,613	32	0.02
DBS	6,547	128	0.08
Deutsche Bank	7,268	59	0.04
Discover Financial Services	1,006	90	0.06
DNB Bank	3,960	62	0.04
Dubai Islamic Bank	18,634	26	0.02
E.Sun Financial	49,864	46	0.03
Erste Group Bank	1,056	26	0.02
Eurobank Ergasias Services A	9,352	8	0.00
Fifth Third Bancorp	2,373	71	0.04
Fincobank Spa	2,326	26	0.02
First Abu Dhabi Bank	16,105	78	0.05
First Financial	41,738	31	0.02
First Republic Bank	583	69	0.04
FirstRand	18,209	63	0.04
Fukuoka Financial	500	7	0.00
Grupo Financiero Banorte	11,750	62	0.04
Grupo Financiero Inbursa	8,300	11	0.01
Hana Financial	1,160	35	0.02
Hang Seng Bank	2,916	41	0.03
Hong Leong Bank Berhad	2,600	10	0.01
Hua Nan Financial	40,843	26	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Huntington Bancshares	5,034	53	0.03
Industrial & Commercial Bank of China 'A' Shares	56,900	33	0.02
Industrial & Commercial Bank of China 'H' Shares	290,043	139	0.09
Industrial Bank	8,900	22	0.01
Industrial Bank Of Korea	1,294	9	0.01
ING	13,786	105	0.06
Intesa Sanpaolo	57,615	94	0.06
Israel Discount Bank	4,936	23	0.01
Itau Unibanco Preference Shares	17,669	68	0.04
Japan Post Bank	1,600	10	0.01
JP Morgan Chase	10,060	957	0.59
Kakaobank Corp	477	13	0.01
Kasikornbank	2,600	9	0.01
KB Financial	1,483	55	0.03
KBC	1,018	56	0.03
KeyCorp	3,264	50	0.03
Komerční Banka	259	7	0.00
Krung Thai Bank Pub Co Forei	24,800	9	0.01
Kuwait Finance House	17,671	45	0.03
M&T Bank	616	82	0.05
Malayan Banking	28,483	47	0.03
Masraf Al Rayan	11,808	14	0.01
Mega Financial	38,773	44	0.03
Mitsubishi UFJ Financial	44,733	207	0.13
Mizrahi Tefahot Bank	659	20	0.01
Mizuho Financial	9,601	93	0.06
National Australia Bank	11,223	207	0.13
National Bank of Canada	1,256	70	0.04
National Bank of Kuwait	27,740	76	0.05
Nedbank	1,591	18	0.01
Nordea Bank	12,201	98	0.06
OTP Bank	762	18	0.01
Oversea-Chinese Banking	13,001	93	0.06
Ping An Bank	9,200	17	0.01
PNC Financial Services	1,457	193	0.12
Postal Savings Bank of China	37,000	23	0.01
Powszechna Kasa Oszczednosci Bank Polski	3,140	18	0.01
Public Bank	50,163	43	0.03
Qatar Islamic Bank	3,760	20	0.01
Qatar National Bank	14,906	76	0.05
Raiffeisen Bank International	421	4	0.00
Regions Financial	3,129	52	0.03
Resona	9,000	31	0.02
Rhb Bank	7,300	8	0.00
Riyad Bank	4,309	37	0.02
Royal Bank of Canada	4,958	401	0.25
Saudi British Bank	3,223	31	0.02
Saudi National Bank	7,483	125	0.08
Sberbank of Russia ADR*	9,051	-	-
Shanghai Commercial & Savings Bank	14,000	19	0.01
Shanghai Pudong Development Bank	26,600	26	0.02



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Shinhan Financial	1,928	51	0.03
Shinsei Bank	600	8	0.00
Shizuoka Bank	2,400	12	0.01
Siam Commercial Bank	9,600	16	0.01
Signature Bank	197	38	0.02
SinoPac Financial	51,000	25	0.02
Skandinaviska Enskilda Banken	5,302	48	0.03
Societe Generale	2,919	57	0.04
Standard Bank	4,975	42	0.03
Sumitomo Mitsui Financial	4,801	115	0.07
Sumitomo Mitsui Trust	1,500	37	0.02
SVB Financial	181	70	0.04
Svenska Handelsbanken	5,420	44	0.03
Swedbank	3,717	47	0.03
Taishin Financial	47,381	25	0.02
Taiwan Business Bank	35,000	12	0.01
Taiwan Cooperative Financial	41,849	32	0.02
Toronto-Dominion Bank	6,247	361	0.22
Truist Financial	4,531	175	0.11
Turkiye Garanti Bankasi	10,580	9	0.01
UniCredit	7,553	56	0.03
United Overseas Bank	4,708	81	0.05
US Bancorp	4,401	170	0.11
VTB Bank GDR*	11,054	-	-
Westpac Banking	12,228	165	0.10
Woori Financial	2,054	19	0.01
Zions Bancorp	515	23	0.01
		11,094	6.89
<b>Finance &amp; Credit Services</b>			
360 DigiTech ADR	462	5	0.00
Ally Financial	1,272	40	0.02
Chailease	5,250	34	0.02
East Money Information	7,704	21	0.01
FactSet Research Systems	134	43	0.03
Far East Horizon	17,000	11	0.01
Lufax ADR	1,725	8	0.01
Mitsubishi HC Capital	3,200	12	0.01
Moody's	560	141	0.09
MSCI	281	94	0.06
ORIX	4,596	67	0.04
S&P Global	1,177	353	0.22
Thomson Reuters	600	48	0.03
Tokyo Century	200	5	0.00
Transaction Capital	3,044	8	0.00
		890	0.55
<b>Investment Banking &amp; Brokerage</b>			
Ackermans & van Haaren	84	12	0.01
Aker Asa 'A' Shares	122	8	0.01
Ameriprise Financial	396	84	0.05
Amundi	144	7	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
ASX	765	38	0.02
B3 - Brasil Bolsa Balcao	25,366	54	0.03
Banco BTG Pactual	5,200	19	0.01
Bank of New York Mellon	2,704	91	0.06
Berkshire Hathaway	6,304	1,616	1.00
BlackRock	487	242	0.15
Blackstone	2,420	196	0.12
Broadridge Financial Solutions	419	48	0.03
Brookfield Asset Management	4,696	187	0.12
BTS W7~	4,690	0	0.00
Carlyle	520	15	0.01
Cboe Global Markets	381	34	0.02
Charles Schwab	5,019	265	0.16
China Development Financial	60,188	29	0.02
China Galaxy Securities	30,500	13	0.01
China International Capital	12,800	21	0.01
CITIC Securities 'A' Shares	7,540	18	0.01
CITIC Securities 'H' Shares	13,800	24	0.02
CME	1,201	210	0.13
Computershare	2,155	31	0.02
Credit Suisse	8,765	48	0.03
Daiwa Securities	7,000	27	0.02
Deutsche Boerse	669	93	0.06
EQT	962	22	0.01
Equitable	1,501	35	0.02
Eurazeo	157	10	0.01
Euronext	251	16	0.01
EXOR	434	24	0.01
Franklin Resources	1,085	21	0.01
GF Securities	11,400	12	0.01
Goldman Sachs	1,090	265	0.16
Groupe Bruxelles Lambert	477	36	0.02
Grupo Elektra	245	12	0.01
Haitong Securities	25,200	14	0.01
Hong Kong Exchanges + Clear	4,700	161	0.10
Huatai Securities	13,200	15	0.01
IGM Financial	672	17	0.01
Industrivarden 'A' Shares	823	17	0.01
Industrivarden 'C' Shares	748	15	0.01
Infratil	3,687	16	0.01
Intercontinental Exchange	1,918	177	0.11
Investment Latour	601	13	0.01
Investor 'A' Shares	1,823	31	0.02
Investor 'B' Shares	6,348	99	0.06
Itausa Preference Shares	19,110	28	0.02
Japan Exchange	2,200	26	0.02
Julius Baer	761	30	0.02
Kinnevik	820	13	0.01
KKR	1,809	74	0.05
Korea Investment	188	8	0.01
L E Lundbergforetagen 'B' Shares	139	5	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Macquarie	1,283	150	0.09
Magellan Financial	560	5	0.00
Magellan Financial Option 16/04/2027~	70	0	0.00
MarketAxess	122	26	0.02
Mediobanca Banca di Credito Finanziario	2,569	21	0.01
Mirae Asset Securities	2,640	14	0.01
Morgan Stanley	4,524	290	0.18
Moscow Exchange MICEX-RTS*	10,284	-	-
Nasdaq	418	52	0.03
Nihon M&A Center	1,200	12	0.01
Nomura	11,500	35	0.02
Northern Trust	676	56	0.03
Partners	80	69	0.04
Raymond James Financial	700	54	0.03
Remgro	2,412	17	0.01
Samsung Securities	475	12	0.01
SBI	1,000	18	0.01
SEI Investments	532	24	0.02
Singapore Exchange	3,800	22	0.01
Sofina	66	16	0.01
State Street	1,226	65	0.04
T Rowe Price	806	79	0.05
UBS	11,196	154	0.10
Voya Financial	593	30	0.02
Wendel	99	8	0.01
Yuanta Financial	50,000	35	0.02
		5,906	3.67
<b>Life Insurance</b>			
Aegon	6,016	25	0.01
Aflac	2,103	96	0.06
Ageas	706	27	0.02
AIA	42,485	335	0.21
Cathay Financial	30,767	52	0.03
Challenger	2,494	10	0.01
China Life Insurance	32,681	38	0.02
China Pacific Insurance	11,000	20	0.01
Cnp Assurances	573	10	0.01
Dai-ichi Life	3,881	62	0.04
Discovery	1,602	12	0.01
Fubon Financial	25,991	52	0.03
Globe Life	314	25	0.02
Great-West Lifeco	1,310	29	0.02
Japan Post	5,000	28	0.02
Japan Post Insurance	1,000	13	0.01
Lincoln National	733	35	0.02
Manulife Financial	7,011	110	0.07
Medibank Pvt	9,718	18	0.01
MetLife	2,471	129	0.08
New China Life Insurance	8,100	16	0.01
NN	1,262	50	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Old Mutual	22,078	14	0.01
Ping An Insurance 'A' Shares	5,900	32	0.02
Ping An Insurance 'H' Shares	22,511	117	0.07
Poste Italiane	1,952	15	0.01
Power Corp of Canada	2,329	55	0.03
Principal Financial	976	53	0.03
Prudential Financial	1,302	113	0.07
Samsung Life Insurance	302	13	0.01
Sanlam	7,596	25	0.02
Shin Kong Financial	62,000	17	0.01
Sun Life Financial	2,197	87	0.05
Suncorp	5,171	33	0.02
Swiss Life	127	60	0.04
T&D	2,100	22	0.01
		1,848	1.15
<b>Mortgage Real Estate Investments</b>			
AGNC Investment	2,117	18	0.01
Annaly Capital Management	5,857	30	0.02
		48	0.03
<b>Non-Life Insurance</b>			
Alleghany	52	35	0.02
Allianz	1,417	256	0.16
Allstate	1,010	102	0.06
American International	2,863	133	0.08
Aon	755	173	0.11
Arch Capital	1,419	52	0.03
Arthur J Gallagher	706	95	0.06
ASR Nederland	489	18	0.01
Assicurazioni Generali	4,591	70	0.04
Assurant	175	25	0.02
AXA	6,833	146	0.09
Baloise	155	22	0.01
Bb Seguridade Participacoes	2,800	11	0.01
Brown & Brown	828	41	0.03
Chubb	1,463	240	0.15
Cincinnati Financial	523	51	0.03
Db Insurance	239	10	0.01
Everest Re	130	28	0.02
Fairfax Financial	91	40	0.02
Fidelity National Financial	935	30	0.02
Gjensidige Forsikring	543	9	0.01
Hannover Rueck	208	26	0.02
Hartford Financial Services	1,181	66	0.04
Helvetia	84	9	0.01
Insurance Australia	9,190	23	0.01
Intact Financial	525	59	0.04
Loews	701	35	0.02
Markel	51	55	0.03
Marsh & McLennan	1,771	228	0.14
MS&AD Insurance	2,189	52	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Muenchener Rueckversicherungs-Gesellschaft	525	100	0.06
People S Insurance	52,000	13	0.01
PICC Property & Casualty	30,000	25	0.02
Powszechny Zaklad Ubezpieczen	1,933	11	0.01
Progressive	1,981	169	0.11
QBE Insurance	6,239	43	0.03
RenaissanceRe	180	21	0.01
Sampo	1,738	68	0.04
Samsung Fire & Marine Insurance	172	23	0.01
SCOR	610	14	0.01
Sompo	1,461	47	0.03
Swiss Re	995	66	0.04
Tokio Marine	2,350	101	0.06
Travelers	872	119	0.07
Tryg	1,187	23	0.01
W R Berkley	703	37	0.02
Willis Towers Watson	456	78	0.05
Zhongan Online	3,800	11	0.01
Zurich Insurance	518	190	0.12
		3,299	2.05
<b>Collective Investment Schemes</b>			
Aberdeen Standard Liquidity Fund Lux - Sterling±0	2,716	2,716	1.69
iShares MSCI India UCITS ETF USD Acc#	382,761	2,269	1.41
iShares MSCI India UCITS ETF GBP Acc#	64,195	380	0.23
		5,365	3.33
<b>TOTAL FINANCIALS</b>		<b>28,450</b>	<b>17.67</b>

### HEALTH CARE (11.60%, 30/04/21 0.00%)

#### Health Care Providers

Aier Eye Hospital	2,500	11	0.01
Anthem	834	333	0.21
Bangkok Dusit Medical Services	29,600	18	0.01
Centene	1,894	121	0.08
Cerner	893	67	0.04
Cigna	1,081	212	0.13
DaVita	225	19	0.01
Dr Sulaiman Al Habib Medical Services	344	15	0.01
Fresenius	1,501	43	0.03
Fresenius Medical Care	678	34	0.02
Hapvida Participacoes e Investimentos	16,736	24	0.01
HCA Healthcare	819	140	0.09
Humana	432	153	0.10
IHH Healthcare	14,500	18	0.01
IQVIA	640	111	0.07
M3	1,565	40	0.02
Orpea	120	3	0.00
Ramsay Health Care	803	37	0.02
Rede D'Or Sao Luiz	2,200	13	0.01

**Portfolio Statement**

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Ryman Healthcare	1,952	9	0.01
Sonic Healthcare	1,922	40	0.02
Teladoc Health	486	13	0.01
UnitedHealth	3,216	1,301	0.81
Universal Health Services	229	22	0.01
Veeva Systems	473	69	0.04
		<b>2,866</b>	<b>1.78</b>
<b>Medical Equipment &amp; Services</b>			
Abbott Laboratories	5,939	537	0.33
ABIOMED	145	33	0.02
Agilent Technologies	1,029	98	0.06
Alcon	1,598	92	0.06
Align Technology	261	60	0.04
Ambu	500	5	0.00
Amplifon	419	14	0.01
Ansell	837	13	0.01
Asahi Intecc	600	9	0.01
Avantor	2,061	52	0.03
Baxter International	1,647	93	0.06
Becton Dickinson	978	192	0.12
BioMerieux	135	10	0.01
Bio-Rad Laboratories	81	33	0.02
Bio-Techne	124	38	0.02
Boston Scientific	4,805	161	0.10
Carl Zeiss Meditec	108	11	0.01
Cochlear	238	31	0.02
Coloplast	473	51	0.03
Cooper	160	46	0.03
Danaher	2,176	435	0.27
Demant	397	14	0.01
DENTSPLY SIRONA	708	23	0.01
Dexcom	310	101	0.06
DiaSorin	71	8	0.00
Ebos	564	12	0.01
Edwards Lifesciences	2,044	172	0.11
Elekta	986	5	0.00
Embecta	187	5	0.00
EssilorLuxottica	1,011	139	0.09
Eurofins Scientific	405	30	0.02
Fisher & Paykel Healthcare	2,381	27	0.02
Getinge	741	17	0.01
GN Store Nord	475	14	0.01
Henry Schein	415	27	0.02
Hologic	912	52	0.03
Hoya	1,329	106	0.07
ICON	275	50	0.03
IDEXX Laboratories	285	98	0.06
Insulet	225	43	0.03
Intuitive Surgical	1,217	232	0.14
Laboratory Corp of America	336	64	0.04

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Masimo	151	14	0.01
Medtronic	4,575	380	0.24
Microport Scientific	2,000	3	0.00
Olympus	3,748	53	0.03
PerkinElmer	388	45	0.03
QIAGEN	702	26	0.02
Quest Diagnostics	421	45	0.03
ResMed	503	80	0.05
Sartorius Preference Shares	84	25	0.02
Sartorius Stedim Biotech	82	22	0.01
Shandong Weigao Group Medical Polymer	12,000	10	0.01
Shenzhen Mindray Bio-Medical Electronics	400	15	0.01
Siemens Healthineers	957	41	0.02
Sonova	197	57	0.03
STERIS	285	51	0.03
Straumann	343	33	0.02
Stryker	1,183	227	0.14
Sysmex	718	38	0.02
Tecan	52	13	0.01
Teleflex	147	33	0.02
Terumo	2,292	55	0.03
Thermo Fisher Scientific	1,345	593	0.37
Top Glove	18,200	6	0.00
West Pharmaceutical Services	254	64	0.04
Zimmer Biomet	681	66	0.04
Zimvie	65	1	0.00
		5,249	3.26
<b>Pharmaceuticals &amp; Biotechnology</b>			
AbbVie	6,055	708	0.44
Alnylam Pharmaceuticals	430	46	0.03
Amgen	1,910	355	0.22
Argenx	6	1	0.00
Argenx (Brussels Listing)	176	40	0.02
Aspen Pharmacare	1,162	10	0.01
Astellas Pharma	6,844	83	0.05
Bausch Health	996	15	0.01
Bayer	3,440	182	0.11
BeiGene	2,100	22	0.01
Biogen	509	84	0.05
BioMarin Pharmaceutical	613	40	0.02
Bristol-Myers Squibb	7,428	445	0.28
Cardinal Health	1,017	47	0.03
Catalent	548	40	0.02
Celltrion	373	41	0.03
Celltrion Healthcare	272	11	0.01
Charles River Laboratories International	160	31	0.02
Chr Hansen	329	21	0.01
Chugai Pharmaceutical	2,292	55	0.03
CSL	1,675	259	0.16
CSPC Pharmaceutical	32,000	26	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Daiichi Sankyo	6,536	131	0.08
Eisai	900	31	0.02
Elanco Animal Health	1,664	34	0.02
Eli Lilly	2,901	675	0.42
Evotec	438	9	0.01
Exact Sciences	578	25	0.02
Genmab	221	62	0.04
Genscript Biotech	4,000	9	0.01
Gilead Sciences	4,205	199	0.12
Grifols	1,167	16	0.01
Grifols 'B' Shares	1,092	10	0.01
Horizon Therapeutics	801	63	0.04
Hypera	1,600	10	0.01
Illumina	494	117	0.07
Incyte	614	37	0.02
Innovent Biologics	5,000	13	0.01
Ipsen	132	11	0.01
Jazz Pharmaceuticals	182	23	0.01
Jiangsu Hengrui Medicine	4,760	17	0.01
Johnson & Johnson	9,018	1,297	0.81
Kobayashi Pharmaceutical	200	11	0.01
Kyowa Kirin	900	15	0.01
Lonza	253	120	0.07
Merck (EUR)	463	69	0.04
Merck (USD)	8,677	613	0.38
Moderna	1,123	120	0.07
Nippon Shinyaku	200	11	0.01
Novartis	7,299	518	0.32
Novo Nordisk	5,443	501	0.31
Novocure	342	21	0.01
Novozymes	698	39	0.02
Ono Pharmaceutical	1,600	33	0.02
Organon	840	22	0.01
Orion	393	12	0.01
Otsuka (healthcare company)	1,535	41	0.03
PeptiDream	300	4	0.00
Pfizer	19,097	747	0.46
Pharmaron Beijing	500	5	0.00
Recordati Industria Chimica e Farmaceutica	314	12	0.01
Regeneron Pharmaceuticals	350	184	0.11
Richter Gedeon	411	6	0.00
Roche	96	31	0.02
Roche Participating Certificate	2,463	732	0.45
Rohto Pharmaceutical	500	11	0.01
Royalty Pharma	1,075	36	0.02
Samsung Biologics	58	31	0.02
Sanofi	3,787	322	0.20
Santen Pharmaceutical	1,500	10	0.01
Seagen	449	47	0.03
Shanghai Fosun Pharmaceutical	3,500	12	0.01
Shionogi	923	41	0.03



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Sino Biopharmaceutical	37,000	16	0.01
Sumitomo Pharma	600	4	0.00
Swedish Orphan Biovitrum	615	10	0.01
Takeda Pharmaceutical	5,311	123	0.08
Teva Pharmaceutical Industries	3,419	24	0.02
UCB	444	40	0.03
Vertex Pharmaceuticals	875	190	0.12
Viartis	4,013	33	0.02
Vifor Pharma	186	26	0.02
Wuxi Apptec 'A' Shares	1,200	15	0.01
WuXi AppTec 'H' Shares	1,400	15	0.01
Wuxi Biologics Cayman	12,256	75	0.05
Yuhan	252	10	0.01
Zai Lab ADR	200	6	0.00
Zhangzhou Pientzhuang	200	7	0.00
Zoetis	1,635	231	0.14
		10,553	6.56
<b>TOTAL HEALTH CARE</b>		<b>18,668</b>	<b>11.60</b>

### INDUSTRIALS (12.03%, 30/04/21 0.00%)

#### Aerospace & Defence

Airbus	1,955	173	0.11
Boeing	1,796	213	0.13
Dassault Aviation	76	10	0.01
Elbit Systems	77	13	0.01
Embraer	3,900	9	0.01
General Dynamics	873	165	0.10
HEICO	120	14	0.01
HEICO 'A' Shares	241	22	0.01
Howmet Aerospace	1,287	35	0.02
Huntington Ingalls Industries	122	21	0.01
Korea Aerospace Industries	374	10	0.01
L3Harris Technologies	645	119	0.07
Leonardo	847	7	0.00
MTU Aero Engines	186	30	0.02
Northrop Grumman	501	175	0.11
Rheinmetall	124	22	0.01
Safran	1,199	104	0.06
Singapore Technologies Engineering	10,400	25	0.02
Textron	742	41	0.03
Thales	387	40	0.03
TransDigm	177	84	0.05
		1,332	0.83

#### Construction & Materials

Acciona	102	16	0.01
ACS Actividades de Construccion y Servicios	941	19	0.01
Anhui Conch Cement	6,000	26	0.02
Asia Cement	13,000	17	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Assa Abloy	3,457	70	0.04
Belimo Holding	29	12	0.01
Bouygues	776	21	0.01
Carrier Global	2,941	90	0.06
Cemex	59,500	21	0.01
China National Building Material	22,000	23	0.01
China Railway	28,000	16	0.01
China Resources Cement	16,000	11	0.01
Cie de Saint-Gobain	1,724	82	0.05
COMSYS	500	8	0.00
Daikin Industries	919	113	0.07
Downer EDI	2,402	7	0.00
Eiffage	244	19	0.01
Ferrovial	1,906	39	0.02
Fletcher Building	2,751	9	0.01
Fluidra	424	9	0.01
Fortune Brands Home & Security	415	24	0.01
Geberit	121	56	0.03
Haseko	1,400	12	0.01
HeidelbergCement	563	26	0.02
Holcim	1,847	73	0.04
Hyundai Engineering & Construction	305	9	0.01
Jacobs Engineering	441	49	0.03
James Hardie Industries	1,558	37	0.02
Kajima	1,600	14	0.01
Kingspan	550	41	0.03
Lendlease	2,745	19	0.01
Lixil	1,100	15	0.01
Martin Marietta Materials	214	60	0.04
Masco	878	37	0.02
Mohawk Industries	184	21	0.01
Nibe Industrier	4,174	33	0.02
Obayashi	4,000	22	0.01
ROCKWOOL	19	4	0.00
Samsung C&T	352	26	0.02
Samsung Engineering	702	12	0.01
Shimizu	2,800	12	0.01
Siam Cement	3,200	27	0.02
Signify	341	12	0.01
Sika	540	133	0.08
Skanska	1,220	19	0.01
Sweco	866	10	0.01
Taisei	600	13	0.01
Taiwan Cement	22,000	27	0.02
TOTO	500	13	0.01
Trane Technologies	806	90	0.06
Vinci	1,703	133	0.08

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Vulcan Materials	455	62	0.04
Worley	1,468	12	0.01
		1,781	1.11
<b>Electronic &amp; Electrical Equipment</b>			
Aalberts	435	17	0.01
ABB	5,782	140	0.09
Alfa Laval	1,059	24	0.02
Allegion	311	28	0.02
Alstom	1,067	19	0.01
AMETEK	777	78	0.05
Azbil	700	17	0.01
Ecopro	37	11	0.01
Emerson Electric	2,026	146	0.09
Fuji Electric	400	14	0.01
Hamamatsu Photonics	600	22	0.01
Hitachi	3,269	122	0.08
Horiba	100	4	0.00
IDEX	329	50	0.03
Jeol	200	7	0.00
Johnson Controls International	2,500	119	0.07
Keyence	613	199	0.12
Keysight Technologies	632	71	0.04
Kurita Water Industries	500	14	0.01
Legrand	921	66	0.04
Mettler-Toledo International	81	82	0.05
MINEBEA MITSUMI	1,600	25	0.02
NGK Insulators	1,600	17	0.01
Pentair	582	24	0.02
Prismian	842	22	0.01
Rational	11	5	0.00
Rexel	978	16	0.01
Rockwell Automation	399	80	0.05
Schneider Electric	1,877	217	0.13
Sensata Technologies	581	21	0.01
Shimadzu	1,100	29	0.02
Teco Electric + Machinery	11,000	9	0.01
Teledyne Technologies	143	49	0.03
Trimble	847	45	0.03
VAT	99	25	0.02
Venture	1,400	14	0.01
Walsin Lihwa	18,000	22	0.01
Waters	210	51	0.03
Xylem	632	41	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Yokogawa Electric	900	12	0.01
Zebra Technologies	184	54	0.03
		2,028	1.26
<b>General Industrials</b>			
3M	1,901	218	0.13
AGC	700	21	0.01
Alfa	16,000	8	0.00
Amcor	5,283	50	0.03
Ball	1,040	67	0.04
Bidvest	1,362	15	0.01
Brambles	5,524	33	0.02
CITIC	26,000	22	0.01
CK Hutchison	11,234	63	0.04
Dover	544	58	0.04
DuPont de Nemours	1,763	93	0.06
Eaton	1,336	154	0.10
Formosa Plastics	16,753	48	0.03
Fortive	1,132	52	0.03
Fosun International	18,500	16	0.01
Fuyao Glass Industry	4,000	13	0.01
General Electric	3,740	222	0.14
Honeywell International	2,299	354	0.22
Huhtamaki	243	7	0.00
IHI	400	7	0.00
Illinois Tool Works	1,081	170	0.11
Indutrade	1,220	23	0.01
ITOCHU	5,006	121	0.07
Jardine Matheson	700	30	0.02
JG Summit	11,380	10	0.01
Kansai Paint	1,100	12	0.01
Koninklijke Philips	3,049	64	0.04
LG	357	17	0.01
Lifco	664	11	0.01
Lotte Chemical	73	9	0.01
Mitsubishi	4,291	116	0.07
Mitsubishi Electric	7,353	62	0.04
Nippon Paint	3,200	20	0.01
Orbia Advance	5,100	10	0.01
Packaging Corp of America	298	38	0.02
Parker-Hannifin	439	95	0.06
PPG Industries	784	80	0.05
Sherwin-Williams	796	174	0.11
Siemens	2,596	256	0.16
SIG Combibloc	1,178	20	0.01
Sojitz	1,000	12	0.01
Swire Pacific	3,000	14	0.01
thyssenkrupp	1,417	9	0.01
Toshiba	1,668	55	0.03
Toyota Tsusho	800	23	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Westrock	805	32	0.02
Xinyi Glass	9,000	16	0.01
		3,020	1.87
<b>Industrial Engineering</b>			
Airtac International	1,046	23	0.01
Amada	800	5	0.00
ANDRITZ	174	6	0.00
Atlas Copco 'A' Shares	2,203	81	0.05
Atlas Copco 'B' Shares	1,469	47	0.03
Caterpillar	1,846	310	0.19
CNH Industrial (Italian Listing)	70	1	0.00
CNH Industrial (London Listing)	3,823	42	0.03
Cummins	475	72	0.04
Daifuku	400	20	0.01
Deere	944	284	0.18
Disco	100	20	0.01
Doosan Enerbility	818	11	0.01
Ebara	300	11	0.01
Epiroc 'A' Shares	2,131	35	0.02
Epiroc 'B' Shares	1,644	23	0.01
FANUC	715	88	0.05
GEA	650	20	0.01
Generac	209	37	0.02
Georg Fischer	320	14	0.01
Hitachi Construction Machinery	500	9	0.01
Hiwin Technologies	1,030	6	0.00
Hoshizaki	200	10	0.01
Ingersoll Rand	1,404	49	0.03
Interpump	299	10	0.01
KION	280	13	0.01
Komatsu	3,370	61	0.04
Kone	1,414	55	0.03
Kubota	4,086	56	0.04
Metso Outotec	2,224	15	0.01
MISUMI	1,100	22	0.01
Mitsubishi Heavy Industries	1,100	30	0.02
Miura	400	7	0.00
Nabtesco	500	9	0.01
Otis Worldwide	1,488	86	0.05
Sandvik	3,861	59	0.04
Schindler	61	9	0.01
Schindler (Partially Restricted)	142	22	0.01
SMC	205	79	0.05
Snap-on	191	32	0.02
Stanley Black & Decker	537	51	0.03
Sumitomo Heavy Industries	600	10	0.01
THK	500	8	0.01
TOMRA Systems	433	14	0.01
Trelleborg	1,107	20	0.01
Ulvac	200	6	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Valmet	554	12	0.01
Wartsila	1,714	11	0.01
WEG	6,600	32	0.02
Weichai Power	11,000	12	0.01
Yaskawa Electric	1,100	30	0.02
		1,995	1.24
<b>Industrial Support Services</b>			
Accenture	2,197	526	0.33
Adecco	593	19	0.01
Adyen	100	136	0.08
Affirm Holdings	586	13	0.01
ALS	2,578	19	0.01
American Express	2,114	294	0.18
Automatic Data Processing	1,417	246	0.15
Benefit One	300	4	0.00
Bill.com	317	43	0.03
Block	1,659	132	0.08
Bureau Veritas	1,175	27	0.02
Capital One Financial	1,438	143	0.09
Cintas	303	96	0.06
Dai Nippon Printing	1,300	22	0.01
Dksh Holding	148	10	0.01
Edenred	821	33	0.02
Equifax	402	65	0.04
Fair Isaac	88	26	0.02
Fidelity National Information Services	2,077	164	0.10
Fiserv	1,972	154	0.10
FleetCor Technologies	266	53	0.03
Global Payments	992	108	0.07
GMO Payment Gateway	200	14	0.01
Jack Henry & Associates	243	37	0.02
Kanzhun Ltd Adr	1,051	20	0.01
Marubeni	5,826	51	0.03
Mastercard	2,954	855	0.53
Mitsui	5,822	113	0.07
Nexi	2,023	16	0.01
Paychex	1,098	111	0.07
PayPal	4,035	282	0.17
Persol	600	9	0.01
Qube	6,421	11	0.01
Randstad	460	20	0.01
Recruit	4,801	142	0.09
Reece	1,198	12	0.01
Robert Half International	354	28	0.02
Secom	700	39	0.02
Securitas	1,331	13	0.01
SEEK	1,584	25	0.01
SGS	21	43	0.03
Sohgo Security Services	400	9	0.01
Sumitomo	4,474	57	0.03

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Synchrony Financial	1,989	58	0.04
Teleperformance	206	59	0.04
TOPPAN	1,500	20	0.01
TransUnion	622	43	0.03
Verisk Analytics	542	88	0.05
Visa	5,683	964	0.60
Western Union	1,336	18	0.01
Worldline	855	27	0.02
WW Grainger	181	72	0.04
		5,589	3.47
<b>Industrial Transportation</b>			
Adp	84	10	0.01
Aena	233	27	0.02
Agility Public Warehousing	3,935	13	0.01
Airports of Thailand	17,900	28	0.02
AP Moller - Maersk 'A' Shares	17	39	0.02
AP Moller - Maersk 'B' Shares	22	51	0.03
Atlantia	1,877	36	0.02
Atlas Arteria	3,743	15	0.01
Auckland International Airport	6,006	24	0.01
Aurizon	6,936	16	0.01
Bolloré	4,151	16	0.01
BTS W8	9,380	0	0.00
Canadian National Railway	2,064	194	0.12
Canadian Pacific Railway	3,242	190	0.12
CCR	4,300	9	0.01
Central Japan Railway	629	63	0.04
CH Robinson Worldwide	458	39	0.02
China Merchants Port Holding	10,000	14	0.01
Cia Sud Americana De Vapores	90,843	8	0.00
COSCO SHIPPING 'A' Shares	5,700	10	0.01
COSCO SHIPPING 'H' Shares	13,000	16	0.01
CSX	7,499	205	0.13
Daimler Truck	1,418	31	0.02
Deutsche Post	3,453	118	0.07
DSV PANALPINA	673	89	0.06
East Japan Railway	1,329	56	0.03
Evergreen Marine Corp Taiwan	10,000	39	0.02
Expeditors International of Washington	668	53	0.03
FedEx	830	131	0.08
Flughafen Zurich	60	8	0.00
Full Truck Alliance Spn Adr	2,083	10	0.01
Getlink	1,830	27	0.02
Grupo Aeroportuario Del Cent	1,500	8	0.00
Grupo Aeroportuario del Pacifico	1,700	21	0.01
Grupo Aeroportuario del Sureste	1,030	18	0.01
GXO Logistics	279	13	0.01
Hankyu Hanshin	600	13	0.01
HD Hyundai	251	9	0.01
HMM	1,234	22	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Hyundai Glovis	71	9	0.01
InPost	708	3	0.00
International Container Terminal Services	5,220	17	0.01
Isuzu Motors	2,100	20	0.01
Iveco	747	4	0.00
JB Hunt Transport Services	268	36	0.02
JD Logistics	6,400	11	0.01
Kawasaki Heavy Industries	500	7	0.00
Kawasaki Kisen Kaisha	300	13	0.01
Keisei Electric Railway	500	10	0.01
Kintetsu	500	11	0.01
Knorr-Bremse	222	13	0.01
Korea Shipbuilding & Offshore Engineering	162	9	0.01
Kuehne + Nagel International	168	38	0.02
Mainfreight	549	23	0.01
MISC	9,100	13	0.01
Mitsui OSK Lines	1,500	28	0.02
MTR	6,500	28	0.02
Nagoya Railroad	600	8	0.01
NIPPON EXPRESS	300	14	0.01
Nippon Yusen	600	35	0.02
Norfolk Southern	815	167	0.10
Odakyu Electric Railway	1,100	13	0.01
Old Dominion Freight Line	322	72	0.04
Orient Overseas	500	11	0.01
PACCAR	1,161	77	0.05
Rumo	6,900	18	0.01
Samsung Heavy Industries	2,626	10	0.01
SF Holding	2,700	17	0.01
SG	1,600	22	0.01
SITC International	5,000	13	0.01
Tobu Railway	600	11	0.01
Tokyu	1,400	14	0.01
Transurban	10,706	87	0.05
Union Pacific	2,174	406	0.25
United Parcel Service	2,473	355	0.22
United Rentals	241	61	0.04
Volvo 'A' Shares	974	13	0.01
Volvo 'B' Shares	5,474	70	0.04
Wan Hai Lines	3,300	13	0.01
West Japan Railway	700	21	0.01
Westinghouse Air Brake Technologies	590	42	0.03
XPO Logistics	305	13	0.01
Yamato	1,300	19	0.01



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Yang Ming Marine Transport	6,000	20	0.01
Zto Express Cayman	550	12	0.01
		3,616	2.25
<b>TOTAL INDUSTRIALS</b>		<b>19,361</b>	<b>12.03</b>
<b>REAL ESTATE (3.14%, 30/04/21 0.00%)</b>			
<b>Real Estate Investment &amp; Services</b>			
Aldar Properties	13,092	16	0.01
Aroundtown	3,958	16	0.01
Ayala	1,350	15	0.01
Ayala Land	27,100	13	0.01
Azrieli	168	12	0.01
Capitaland Investment	9,500	23	0.01
Castellum	590	9	0.01
CBRE	1,098	73	0.05
Central Pattana	8,700	12	0.01
China Jinmao Holdings	40,000	11	0.01
China Overseas Land & Investment	17,156	43	0.03
China Resources Land	12,479	45	0.03
China Vanke	6,700	16	0.01
China Vanke 'H' Shares	11,100	21	0.01
City Developments	2,300	11	0.01
CK Asset	7,339	40	0.02
CoStar	1,303	66	0.04
Country Garden	32,000	18	0.01
Country Garden Services	7,000	24	0.01
Daito Trust Construction	200	15	0.01
Emaar Properties	12,313	17	0.01
ESR Cayman	5,800	14	0.01
Fastighets Balder	290	12	0.01
Hang Lung Properties	12,000	18	0.01
Henderson Land Development	8,000	26	0.02
Hongkong Land	5,400	20	0.01
Hulic	1,500	10	0.01
KE ADR	708	8	0.00
Kojamo	648	10	0.01
LEG Immobilien	235	19	0.01
Longfor	7,500	30	0.02
Mitsubishi Estate	4,474	52	0.03
Mitsui Fudosan	3,644	62	0.04
NEPI Rockcastle	1,884	9	0.01
New World Development	8,000	24	0.01
Nomura Real Estate	400	8	0.00
Open House	300	9	0.01
Poly Developments And Hold	6,300	14	0.01
PSP Swiss Property	134	14	0.01
REA	261	19	0.01
Ruentex Development	8,000	17	0.01
Sagax	864	18	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Samhallsbyggnadsbolaget	4,003	10	0.01
Sino Land	22,000	23	0.01
SM Prime	39,200	21	0.01
Sumitomo Realty & Development	1,400	30	0.02
Sun Hung Kai Properties	5,722	53	0.03
Sunac China	11,000	5	0.00
Swire Properties	5,200	10	0.01
Swiss Prime Site	243	19	0.01
Tokyo Tatemono	400	4	0.00
Tokyu Fudosan	2,000	8	0.00
Uol Group	4,000	17	0.01
Vonovia	2,599	83	0.05
Wharf	6,000	14	0.01
Wharf Real Estate Investment	7,000	26	0.02
Zillow 'A' Shares	176	5	0.00
Zillow 'C' Shares	559	18	0.01
		1,275	0.79
<b>Real Estate Investment Trusts</b>			
Activia Properties	6	15	0.01
Advance Residence Investment	10	22	0.01
Alexandria Real Estate Equities	574	83	0.05
American Tower	1,550	298	0.19
Ascendas Real Estate Investment Trust	20,000	33	0.02
AvalonBay Communities	530	96	0.06
Boston Properties	519	49	0.03
CapitaLand Integrated Commercial Trust	23,135	31	0.02
Charter Hall	2,313	20	0.01
Covivio	100	6	0.00
Crown Castle International	1,453	214	0.13
Daiwa House REIT Investment	12	23	0.01
Dexus	4,556	29	0.02
Digital Realty Trust	963	112	0.07
Duke Realty	1,157	50	0.03
Equinix	299	171	0.11
Equity LifeStyle Properties	642	40	0.02
Equity Residential	1,353	88	0.05
Essex Property Trust	246	65	0.04
Extra Space Storage	461	70	0.04
Federal Realty Investment Trust	204	19	0.01
Fibra Uno Administracion de	15,300	13	0.01
Frasers Logistics & Commercial Trust	22,800	19	0.01
Gecina	147	13	0.01
GLP J-Reit	15	16	0.01
Goodman	7,028	95	0.06
GPT	5,726	17	0.01
Growthpoint Properties	13,581	10	0.01
Healthpeak Properties	1,693	44	0.03
Host Hotels & Resorts	1,934	31	0.02
Industrial & Infrastructure Fund Investment	14	16	0.01
Inmobiliaria Colonial Socimi	1,172	8	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Invitation Homes	1,962	62	0.04
Iron Mountain	1,063	45	0.03
Japan Metropolitan Fund Invest	25	16	0.01
Japan Prime Realty Investment	7	17	0.01
Japan Real Estate Investment	7	27	0.02
Keppel Dc Reit	11,300	13	0.01
Keppel Reit	13,700	10	0.01
Kimco Realty	1,592	32	0.02
Klepierre	479	9	0.01
LaSalle Logiport REIT	13	14	0.01
Link REIT	7,593	52	0.03
Mapletree Commercial Trust	12,600	14	0.01
Mapletree Industrial Trust	12,610	19	0.01
Mapletree Logistics Trust	23,747	24	0.01
Mapletree North Asia Commerc	12,800	9	0.01
Merlin Properties Socimi	1,208	11	0.01
Mid-America Apartment Communities	418	65	0.04
Mirvac	14,715	20	0.01
Nippon Building	8	33	0.02
Nippon Prologis REIT	12	27	0.02
Nomura Real Estate Master	21	21	0.01
Orion Office REIT	165	2	0.00
Orix JREIT	9	10	0.01
Prologis	2,502	319	0.20
Public Storage	518	153	0.10
Realty Income	1,910	106	0.07
Regency Centers	460	25	0.02
SBA Communications	358	99	0.06
Scentre	19,850	34	0.02
Sekisui House Reit	24	11	0.01
Simon Property	1,060	100	0.06
Stockland	9,835	23	0.01
Sun Communities	415	58	0.04
Suntec Reit	10,400	11	0.01
UDR	1,165	49	0.03
Unibail-Rodamco-Westfield	438	25	0.02
United Urban Investment	14	12	0.01
Ventas	1,277	56	0.03
VICI Properties	2,085	50	0.03
Vicinity Centres	13,536	14	0.01
Vornado Realty Trust	472	15	0.01
Warehouses De Pauw CVA	579	18	0.01
Welltower	1,432	104	0.06

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Weyerhaeuser	2,635	87	0.05
WP Carey	595	38	0.02
		3,775	2.35
<b>TOTAL REAL ESTATE</b>		<b>5,050</b>	<b>3.14</b>

### TECHNOLOGY (22.51%, 30/04/21 0.00%)

#### Software & Computer Services

Adobe	1,590	501	0.31
Akamai Technologies	574	51	0.03
Alphabet 'A' Shares	1,031	1,874	1.16
Alphabet 'C' Shares	949	1,738	1.08
Altium	480	9	0.01
Amadeus IT	1,434	73	0.05
Amdocs	463	29	0.02
ANSYS	299	66	0.04
AppLovin	530	16	0.01
Atlassian	454	81	0.05
Atos	248	5	0.00
Autodesk	741	112	0.07
Baidu	7,333	97	0.06
Bechtle	234	9	0.01
Bilibili	900	19	0.01
Cadence Design Systems	958	115	0.07
Capgemini	581	96	0.06
Ceridian HCM	407	18	0.01
CGI	820	52	0.03
Check Point Software Technologies	378	38	0.02
China Literature	1,800	6	0.00
Citrix Systems	410	33	0.02
Clarivate	1,410	18	0.01
Cloudflare	868	60	0.04
Cognizant Technology Solutions	1,765	114	0.07
Constellation Software	68	86	0.05
Coupa Software	234	16	0.01
CrowdStrike	678	107	0.07
CyberAgent	1,500	13	0.01
Dassault Systemes	2,272	81	0.05
Datadog	875	84	0.05
Dell Technologies	911	34	0.02
DocuSign	668	43	0.03
DoorDash	479	31	0.02
EPAM Systems	184	39	0.02
F5	197	26	0.02
Fortinet	445	102	0.06
Gartner	282	65	0.04
Gds Holdings	3,600	12	0.01
GoDaddy	576	37	0.02
Hewlett Packard Enterprise	4,344	53	0.03
Hexagon	6,235	65	0.04

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
HubSpot	156	47	0.03
IAC	246	16	0.01
International Business Machines	3,030	319	0.20
Intuit	909	303	0.19
Itochu Techno-Solutions	500	9	0.01
JOYY ADR	210	7	0.00
Just Eat Takeaway.com	568	13	0.01
Kakaku.com	500	8	0.01
Kakao	1,048	60	0.04
Kingdee International Software	11,000	18	0.01
Kingsoft Cloud ADR	311	1	0.00
Koei Tecmo	400	10	0.01
Kuaishou Technology	5,416	37	0.02
Kyndryl	593	6	0.00
Leidos	399	33	0.02
Match	916	58	0.04
Meituan	13,379	233	0.14
Meta Platforms	7,903	1,262	0.78
Microsoft	25,818	5,708	3.55
MongoDB	219	62	0.04
Naspers	811	66	0.04
NAVER	488	88	0.05
Nemetschek	178	11	0.01
NET One Systems	300	6	0.00
NEXTDC	1,637	10	0.01
Nomura Research Institute	1,100	25	0.02
NortonLifeLock	1,735	35	0.02
NTT Data	2,200	32	0.02
Obic	200	24	0.01
Okta	427	41	0.03
Oracle	5,646	330	0.21
Oracle Corp Japan	100	5	0.00
Otsuka (technology company)	400	10	0.01
Palantir Technologies	5,664	47	0.03
Palo Alto Networks	326	146	0.09
Paycom Software	156	35	0.02
Pinterest	1,871	31	0.02
Prosus	3,029	119	0.07
PTC	329	30	0.02
Rakus	400	4	0.00
Rakuten	3,300	19	0.01
Reply	84	10	0.01
RingCentral	269	18	0.01
Roper Technologies	358	134	0.08
salesforce.com	3,218	451	0.28
Samsung SDS	165	16	0.01
SAP	3,853	315	0.20
Schibsted 'A' Shares	284	5	0.00
Scout24	345	17	0.01
SCSK	600	8	0.01
ServiceNow	681	259	0.16

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Shopify	387	132	0.08
SimCorp	137	8	0.00
Sinch	1,662	6	0.00
SK	128	22	0.01
Snowflake	670	91	0.06
Splunk	576	56	0.03
SS&C Technologies	824	42	0.03
Synopsys	519	119	0.07
TechnoPro	500	10	0.01
Temenos	216	18	0.01
Tencent	21,033	805	0.50
Tencent Music Entertainment ADR	1,601	5	0.00
TIS	1,100	20	0.01
TOTVS	3,400	17	0.01
Trend Micro	400	18	0.01
Twilio	564	50	0.03
Twitter	2,614	102	0.06
Tyler Technologies	132	41	0.03
UiPath	915	13	0.01
United Internet	361	9	0.01
Unity Software	494	26	0.02
VeriSign	357	51	0.03
VMware	713	61	0.04
Weibo ADR	233	4	0.00
WiseTech Global	312	8	0.00
Wix.com	161	10	0.01
Workday	665	109	0.07
Xero	456	25	0.02
Yandex*	1,037	-	-
Z	10,100	32	0.02
Zendesk	386	38	0.02
Zoom Video Communications	737	58	0.04
Zoominfo Technologies	336	13	0.01
Zscaler	253	41	0.03
		18,741	11.64
<b>Technology Hardware &amp; Equipment</b>			
AAC Technologies	3,000	6	0.00
Acer	11,000	8	0.00
Advanced Micro Devices	5,590	381	0.24
Advantech	2,000	20	0.01
Advantest	718	40	0.02
Amphenol	2,046	117	0.07
ams-OSRAM	716	7	0.00
Analog Devices	1,787	220	0.14
Apple	52,895	6,642	4.13
Applied Materials	3,050	268	0.17
Arrow Electronics	260	24	0.01
ASE Technology	13,000	34	0.02
ASM International	193	47	0.03
ASM Pacific Technology	1,400	11	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
ASML	1,334	614	0.38
Asustek Computer	3,000	29	0.02
AU Optronics	37,000	17	0.01
BE Semiconductor Industries	255	13	0.01
Beijer Ref	799	10	0.01
Broadcom	1,383	611	0.38
Brother Industries	500	7	0.00
Canon	3,575	66	0.04
Catcher Technology	3,000	12	0.01
CDW	467	61	0.04
Compal Electronics	27,000	16	0.01
Corning	2,575	72	0.04
Delta Electronics	8,320	56	0.03
Delta Electronics Thailand	1,100	9	0.01
E Ink Holdings	4,000	19	0.01
Flex	1,610	21	0.01
Foxconn Technology	5,000	8	0.00
FUJIFILM	1,329	59	0.04
Fujitsu	716	82	0.05
Globalwafers	1,000	14	0.01
Hirose Electric	200	20	0.01
Hon Hai Precision Industry	43,917	120	0.07
HP	3,717	109	0.07
Ibiden	400	12	0.01
Infineon Technologies	4,602	106	0.07
Innolux	38,000	14	0.01
Intel	13,868	481	0.30
Inventec	13,000	9	0.01
IPG Photonics	121	9	0.01
KLA	528	134	0.08
Kyocera	1,149	48	0.03
L+f	86	12	0.01
Lam Research	485	180	0.11
Lasertec	300	33	0.02
Lenovo	28,000	22	0.01
LG Display	979	10	0.01
Lg Innotek	53	12	0.01
Lite-On Technology	13,000	23	0.01
Logitech International	501	26	0.02
LONGi Green Energy Technology	2,120	17	0.01
Marvell Technology	2,926	135	0.08
MediaTek	5,107	115	0.07
Microchip Technology	1,760	91	0.06
Micron Technology	3,743	203	0.13
Micro-Star International	3,000	10	0.01
Monolithic Power Systems	137	43	0.03
Murata Manufacturing	2,044	98	0.06
Nan Ya Printed Circuit Board	1,000	11	0.01
NEC	1,000	31	0.02
NetApp	765	45	0.03
Nidec	1,636	86	0.05

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Nordic Semiconductor Asa	662	11	0.01
Nova	130	10	0.01
Novatek Microelectronics	2,000	22	0.01
NVIDIA	8,199	1,211	0.75
NXP Semiconductors	869	118	0.07
Omron	700	33	0.02
ON Semiconductor	1,409	58	0.04
Pegatron	10,000	19	0.01
Powertech Technology	3,000	8	0.00
Qorvo	366	33	0.02
QUALCOMM	3,873	431	0.27
Quanta Computer	13,000	29	0.02
Realtek Semiconductor	2,000	22	0.01
Renesas Electronics	3,700	32	0.02
Ricoh	1,900	11	0.01
Rohm	300	17	0.01
Samsung Electro-Mechanics	234	25	0.01
Samsung Electronics	16,538	707	0.44
Samsung Electronics Preference Shares	2,987	112	0.07
Samsung SDI	189	73	0.04
SCREEN	200	13	0.01
Seagate Technology	741	48	0.03
Seiko Epson	800	9	0.00
Sino-American Silicon Products	3,000	12	0.01
SK Hynix	1,820	129	0.08
Sk le Technology	96	8	0.00
Skyworks Solutions	558	50	0.03
SOITEC	64	9	0.01
STMicroelectronics	2,206	66	0.04
SUMCO	900	10	0.01
Sunny Optical Technology	2,400	28	0.02
Synnex Technology	6,000	13	0.01
Taiwan Semiconductor Manufacturing	83,723	1,217	0.76
Taiyo Yuden	400	13	0.01
TDK	1,200	30	0.02
TE Connectivity	1,112	111	0.07
Teradyne	585	49	0.03
Texas Instruments	3,160	429	0.27
Tokyo Electron	511	174	0.11
Tower Semiconductor	530	20	0.01
Unimicron Technology	5,000	29	0.02
United Microelectronics	40,852	53	0.03
Vanguard International Semiconductor	3,000	9	0.00
Walsin Technology	2,000	7	0.00
Western Digital	1,036	44	0.03
Win Semiconductors	1,000	5	0.00
Winbond Electronics	13,000	10	0.01



# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Wistron	14,000	11	0.01
Yageo	2,000	22	0.01
		17,496	10.87
<b>TOTAL TECHNOLOGY</b>		<b>36,237</b>	<b>22.51</b>
<b>TELECOMMUNICATIONS (3.07%, 30/04/21 0.00%)</b>			
<b>Telecommunications Equipment</b>			
Accton Technology	2,000	12	0.01
Arista Networks	811	75	0.05
BYD Electronic International	3,000	5	0.00
China Tower	176,000	16	0.01
Cisco Systems	14,488	565	0.35
Intouch NVDR	6,800	11	0.01
Juniper Networks	1,233	31	0.02
Luxshare Precision	3,200	12	0.01
Motorola Solutions	579	99	0.06
Nice	246	40	0.02
Nokia	19,956	81	0.05
Telefonaktiebolaget LM Ericsson	10,618	69	0.04
Xiaomi	46,775	58	0.04
		1,074	0.67
<b>Telecommunications Service Providers</b>			
Advanced Info Service	3,700	19	0.01
America Movil	109,074	84	0.05
AT&T	24,572	369	0.23
Axiata	16,500	11	0.01
BCE	1,210	51	0.03
Cellnex Telecom	2,163	81	0.05
Charter Communications	424	144	0.09
Chunghwa Telecom	13,519	48	0.03
Comcast	15,400	488	0.30
Deutsche Telekom	11,981	176	0.11
DiGi.Com	14,800	10	0.01
DISH Network	821	19	0.01
Elisa	489	23	0.01
Emirates Telecommunications	12,761	97	0.06
Etihad Etisalat	1,733	16	0.01
Far EasTone Telecommunications	9,000	20	0.01
Hellenic Telecommunications Organization	912	14	0.01
Hikari Tsushin	100	9	0.01
Infrastrutture Wireless Italiane	718	6	0.00
KDDI	5,720	152	0.09
Koninklijke KPN	10,614	29	0.02
Lg Uplus	1,149	10	0.01
Liberty Broadband 'A' Shares	76	7	0.00
Liberty Broadband 'C' Shares	506	45	0.03
Liberty Global 'A' Shares	526	10	0.01
Liberty Global 'C' Shares	1,301	25	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Lumen Technologies	3,554	28	0.02
Mobile Telecommunications	6,957	12	0.01
Mobile TeleSystems ADR*	2,854	-	-
MultiChoice	1,861	12	0.01
Netlink Nbn Trust	28,100	16	0.01
Nippon Telegraph & Telephone	4,086	97	0.06
Orange	6,983	66	0.04
PCCW	20,000	9	0.01
PLTD	400	11	0.01
Rogers Communications	1,218	53	0.03
Roku	390	29	0.02
Saudi Telecom	1,635	40	0.02
Shaw Communications	1,535	37	0.02
Singapore Telecommunications	30,042	48	0.03
SK Square	231	8	0.01
SK Telecom	358	13	0.01
SoftBank	4,699	152	0.09
SoftBank (company during takeover/merger)	9,907	92	0.06
Spark New Zealand	10,552	27	0.02
Swisscom	91	43	0.03
Taiwan Mobile	7,000	21	0.01
Tele2	1,678	18	0.01
Telecom Italia	60,439	14	0.01
Telefonica	18,374	72	0.04
Telefonica Brasil	2,300	20	0.01
Telenor	2,148	24	0.01
Telia	8,745	29	0.02
Telkom Indonesia	199,128	51	0.03
Telstra	14,655	33	0.02
TELUS	1,646	33	0.02
Tim	5,100	11	0.01
T-Mobile US	1,977	194	0.12
Turkcell Iletisim Hizmet	10,396	12	0.01
Vantage Towers	345	9	0.01
Verizon Communications	14,609	539	0.33
Vodacom	3,118	24	0.01
		3,860	2.40
<b>TOTAL TELECOMMUNICATIONS</b>		<b>4,934</b>	<b>3.07</b>

### UTILITIES (3.00%, 30/04/21 0.00%)

#### Electricity

A2A	3,667	5	0.00
AES	2,318	38	0.02
Alliant Energy	982	46	0.03
American Electric Power	1,756	139	0.09
Avangrid	249	9	0.01
Centrais Eletricas Brasileiras	2,600	17	0.01
CEZ	735	25	0.01
China Power International	23,000	9	0.01

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
China Resources Power	8,000	12	0.01
China Yangtze Power	8,600	24	0.01
Chubu Electric Power	2,600	21	0.01
Chugoku Electric Power	1,200	6	0.00
Cia Energetica Minas Gerais	3,600	9	0.01
CK Infrastructure	2,500	13	0.01
CLP	6,761	53	0.03
CMS Energy	1,060	58	0.04
Consolidated Edison	1,172	87	0.05
Constellation Energy	1,145	54	0.03
Contact Energy	3,422	14	0.01
Dominion Energy	2,669	174	0.11
DTE Energy	689	72	0.04
Edison International	1,260	69	0.04
EDP - Energias de Portugal	11,125	42	0.03
EDP Renovaveis	848	16	0.01
Electricite de France	1,896	14	0.01
Elia	109	14	0.01
Endesa	1,314	22	0.01
Enel	26,983	141	0.09
Energisa	1,200	9	0.01
Energy Absolute	5,800	12	0.01
Eneva	5,000	11	0.01
Entergy	742	70	0.04
Equatorial Energia	3,700	15	0.01
Evergy	858	46	0.03
Eversource Energy	1,176	82	0.05
Exelon	3,360	125	0.08
FirstEnergy	1,915	66	0.04
Fortis	1,758	69	0.04
Fortum	1,515	20	0.01
Gulf Energy Development	14,400	16	0.01
Hydro One	984	21	0.01
Iberdrola	21,082	195	0.12
Kansai Electric Power	3,200	22	0.01
Korea Electric Power	1,182	17	0.01
Kyushu Electric Power	1,800	9	0.01
Mercury NZ	3,002	9	0.01
Meridian Energy	4,799	12	0.01
NextEra Energy	6,796	384	0.24
NRG Energy	829	24	0.01
Orsted	696	62	0.04
Pinnacle West Capital	407	23	0.01
Power Assets	6,000	32	0.02
PPL	2,707	61	0.04
Public Service Enterprise	1,780	99	0.06
Red Electrica Corporacion	1,460	24	0.01
Saudi Electricity	2,144	12	0.01
Southern	3,624	212	0.13
Tenaga Nasional	16,300	27	0.02
Terna Rete Elettrica Nazionale	4,849	32	0.02

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Tohoku Electric Power	2,100	9	0.01
Tokyo Electric Power	4,100	11	0.01
Transmissora Alianca De Unit	1,200	9	0.01
Verbund	199	17	0.01
Vistra	1,761	35	0.02
Xcel Energy	1,800	105	0.06
		<b>3,207</b>	<b>1.99</b>
<b>Gas, Water &amp; Multiutilities</b>			
Agl Energy	2,456	12	0.01
Ameren	935	69	0.04
American Water Works	615	76	0.05
Atmos Energy	424	38	0.02
Canadian Utilities	670	16	0.01
CenterPoint Energy	1,923	47	0.03
China Gas	10,400	10	0.01
China Resources Gas	2,000	6	0.00
Cia Saneamento Basico	1,200	9	0.01
Duke Energy	2,596	228	0.14
E.ON	7,669	64	0.04
Engie	5,966	57	0.04
ENN Energy	2,700	29	0.02
Guangdong Investment	12,000	12	0.01
Hera	2,460	7	0.00
Hong Kong & China Gas	46,566	41	0.03
Italgas	1,508	8	0.01
Iwatani	200	6	0.00
Naturgy Energy	461	11	0.01
NiSource	1,315	31	0.02
Origin Energy	6,328	24	0.01
Osaka Gas	1,700	25	0.02
RWE	2,271	76	0.05
Sempra Energy	1,053	135	0.08
Toho Gas	300	6	0.00
Tokyo Gas	1,600	24	0.01
Uniper	263	5	0.00

# International Equity Tracker Fund

## Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Veolia Environnement	2,192	51	0.03
WEC Energy	1,088	87	0.05
		1,210	0.75
<b>Gas, Water &amp; Multiutilities</b>			
Petronas Gas Bhd	3,100	10	0.01
		10	0.01
<b>Waste &amp; Disposal Services</b>			
China Everbright Environment	25,000	12	0.01
Cleanaway Waste Management	5,397	10	0.01
Republic Services	751	80	0.05
Waste Connections	963	106	0.06
Waste Management	1,482	194	0.12
		402	0.25
<b>TOTAL UTILITIES</b>		<b>4,829</b>	<b>3.00</b>
<b>DERIVATIVES (-0.05%, 30/04/21 4.35%)</b>			
<b>Forward Currency Contracts</b>			
Bought USD4,425,525 for GBP3,380,278 Settlement 08/06/2022		151	0.10
Bought USD4,097,000 for GBP3,119,278 Settlement 08/06/2022		149	0.09
Bought USD2,231,000 for GBP1,710,459 Settlement 08/06/2022		69	0.04
Bought USD1,352,000 for GBP1,036,876 Settlement 08/06/2022		42	0.03
Sold USD124,000 for GBP96,399 Settlement 08/06/2022		(2)	0.00
Sold USD429,000 for GBP337,413 Settlement 08/06/2022		(5)	0.00
Sold USD3,500,000 for GBP2,682,835 Settlement 08/06/2022		(110)	(0.07)
Sold USD4,200,000 for GBP3,214,809 Settlement 08/06/2022		(136)	(0.09)
		158	0.10
<b>Futures Contracts</b>			
S&P 500 E Mini Index Futures June 2022	17	(245)	(0.15)
		(245)	(0.15)
<b>TOTAL DERIVATIVES</b>		<b>(78)</b>	<b>(0.05)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>160,951</b>	<b>99.99</b>
<b>Net other assets</b>		<b>11</b>	<b>0.01</b>
<b>Total net assets</b>		<b>160,962</b>	<b>100.00</b>

All investments held are listed on the official stock exchange, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

Stocks shown as ADRs, GDRs and NVDRs represent American Depositary Receipts, Global Depositary Receipts and Non-Voting Depositary Receipts.

<sup>^</sup>Including investment liabilities.

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser or a related party of the Investment Adviser.

<sup>\*</sup>Suspended securities.

<sup>#</sup>Exchange Trade Fund.

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

## International Equity Tracker Fund

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
DZ Bank‡	197,200	DZ Bank‡	210,200
BNP Paribas‡~	170,589	BNP Paribas‡~	175,404
Mizuho Bank‡	130,600	Mizuho Bank‡~	140,100
Aberdeen Standard Liquidity Fund Lux - Sterling‡◊	25,037	Aberdeen Standard Liquidity Fund Lux - Sterling‡◊	25,060
Apple	5,165	iShares MSCI Emerging Markets	7,648
Microsoft	4,788	First Abu Dhabi Bank‡	5,000
Amazon.com	3,457	Handelsbanken‡	5,000
iShares MSCI Korea UCITS ETF#	2,315	Mufg Bank‡	5,000
Meta Platforms	1,873	Sumitomo Mitsui Banking‡	5,000
iShares MSCI India UCITS ETF USD Acc#	1,857	Agence Centrale Organismes‡	5,000

‡Cash equivalents.

~Represents the cumulative value of rolling short term deposits.

◊ Asset managed by the Investment Adviser.

#Exchange Trade Fund.

# International Equity Tracker Fund

## Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class I - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	426.41	327.83	332.20
Return before operating charges*	18.99	100.96	(2.21)
Operating charges	(2.84)	(2.38)	(2.16)
Return after operating charges*	16.15	98.58	(4.37)
Distributions	(4.07)	-	(0.67)
Retained distributions on accumulation shares	4.07	-	0.67
Closing net asset value per share	442.56	426.41	327.83
*after direct transaction cost of:	0.14	0.02	0.05
<b>Performance</b>			
Return after charges^	3.79%	30.07%	(1.32)%
<b>Other information</b>			
Closing net asset value (£000)	560	563	440
Closing number of shares	126,599	132,099	134,099
Operating charges#	0.64%	0.63%	0.62%
Direct transaction costs	0.03%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	480.50	430.20	374.30
Lowest share price	410.50	319.90	276.70

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 127 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

# International Equity Tracker Fund

## Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	463.63	354.67	357.60
Return before operating charges*	20.62	109.48	(2.47)
Operating charges	(0.66)	(0.52)	(0.46)
Return after operating charges*	19.96	108.96	(2.93)
Distributions	(6.88)	(0.14)	(2.56)
Retained distributions on accumulation shares	6.88	0.14	2.56
Closing net asset value per share	483.59	463.63	354.67
*after direct transaction cost of:	0.16	0.03	0.05
<b>Performance</b>			
Return after charges	4.31%	30.72%	(0.82)%
<b>Other information</b>			
Closing net asset value (£000)	160,402	130,370	97,830
Closing number of shares	33,168,916	28,119,616	27,583,616
Operating charges#	0.14%	0.13%	0.12%
Direct transaction costs	0.03%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	524.00	467.70	404.50
Lowest share price	446.40	346.10	299.20

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.



## International Equity Tracker Fund

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital gains	2	3,439	30,119
Revenue	3	2,644	245
Expenses	4	(143)	(141)
Interest payable and similar charges		(6)	(55)
Net revenue before taxation		2,495	49
Taxation	5	(218)	(460)
Net revenue/(expenses) after taxation		2,277	(411)
<b>Total return before distributions</b>		<b>5,716</b>	<b>29,708</b>
Distributions	6	(2,193)	(39)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,523</b>	<b>29,669</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>130,933</b>	<b>98,270</b>
Amounts receivable on creation of shares	34,974	10,824
Less: Amounts payable on cancellation of shares	(10,731)	(7,868)
	24,243	2,956
Dilution adjustment	1	-
Change in net assets attributable to shareholders from investment activities	3,523	29,669
Retained distributions on accumulation shares	2,262	38
<b>Closing net assets attributable to shareholders</b>	<b>160,962</b>	<b>130,933</b>

Notes to the Financial Statements are on pages 181 to 192.

# International Equity Tracker Fund

## Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		158,733	123,905
<b>Current assets</b>			
Debtors	8	3,764	5,288
Cash and bank balances	9	568	9,784
Cash equivalents‡		2,716	2,739
<b>Total assets</b>		<b>165,781</b>	<b>141,716</b>
<b>Liabilities</b>			
Investment liabilities		(498)	(236)
Provision for liabilities	10	-	(456)
<b>Creditors</b>			
Bank overdrafts		(30)	-
Other creditors	11	(4,291)	(10,091)
<b>Total liabilities</b>		<b>(4,819)</b>	<b>(10,783)</b>
<b>Net assets attributable to shareholders</b>		<b>160,962</b>	<b>130,933</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 181 to 192.

## Notes to the Financial Statements

for the year ended 30th April 2022

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

### 2. Net capital gains

The net capital gains during the year comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	5,624	1,852
Futures contracts	(699)	37,309
Forward currency contracts	(1,273)	(8,984)
Currency losses	(169)	(55)
Transaction charges	(69)	(3)
Compensation for error <sup>◇</sup>	2	-
US REITs capital gains	23	-
Net capital gains*	3,439	30,119

<sup>◇</sup> Compensation received from Aberdeen Asset Investments Limited due to a trading error.

\*Includes realised gains of £6,212,000 and unrealised losses of £2,772,000 (30/04/21: realised gains of £35,690,000 and unrealised losses of £5,571,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
UK dividends	1	-
Overseas dividends	2,626	-
Distributions from Regulated Collective Investment Schemes:		
Offshore distributions	4	116
Bank interest	9	1
Interest on short term deposits	3	-
Interest on debt securities	1	127
AMC rebates	-	1
Total revenue	2,644	245

### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	3	3
Registration fees	86	112
	89	115
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	16	12
Revenue collection charges	1	-
Safe custody fees	22	3
	39	15

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**4. Expenses (continued)**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Other expenses:</b>		
Audit fee	13	10
Professional fees	2	1
	<hr/> 15	<hr/> 11
Total expenses	<hr/> 143	<hr/> 141

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Corporation tax	385	4
Double tax relief	(15)	-
Irrecoverable overseas tax	302	16
Tax on US REIT's taken to capital	2	-
Total current tax	<hr/> 674	<hr/> 20
Total deferred tax (note 5c)	<hr/> (456)	<hr/> 440
Total taxation (note 5b)	<hr/> 218	<hr/> 460

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

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	2,495	49
Corporation tax of 20% (2021: 20%)	<hr/> 498	<hr/> 10
<b>Effects of:</b>		
Overseas non-taxable revenue*	(506)	(22)
Capital gains subject to taxation	(63)	456
Irrecoverable overseas tax	302	17
Double tax relief	(15)	-
Tax on US REITs taken to capital	2	-
Total tax charge for year (note 5a)	<hr/> 218	<hr/> 461

\*As an authorised OEIC this item is not subject to corporation tax.

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

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**5. Taxation (continued)****(c) Deferred taxation:**

	01/05/21 to 30/04/22 £000	30/04/21 to 30/04/21 £000
Provision at the start of the year	456	16
Deferred tax charge in profit and loss account for the year (note 5a)	(456)	440
Provision at the end of the year	-	456
Provision consists of:		
Revenue taxable in different periods	1	456
Double taxation relief on accrued dividends	(1)	-
Provision at the end of the year	-	456

**6. Distributions**

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

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Interim	996	38
Final	1,266	-
	2,262	38
Add: Revenue deducted on cancellation of shares	32	2
Deduct: Revenue received on creation of shares	(101)	(1)
Net distributions for the year	2,193	39

*Details of the distributions per share are set out in the Distribution Tables on page 193.*

**7. Movement between net revenue and net distributions**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue/(expenses) after taxation	2,276	(411)
Tax provided on unrealised gains	(85)	444
Tax on US REITs taken to capital	2	-
Add: deficit carried forward to next year	-	7
Net distributions for the year	2,193	40

**8. Debtors**

	30/04/22 £000	30/04/21 £000
Sales awaiting settlement	3,448	-
Amounts receivable for issue of shares	30	5,285
Accrued revenue	254	3
Overseas tax recoverable	32	-
Total debtors	3,764	5,288

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**9. Cash and bank balances**

	30/04/22	30/04/21
	£000	£000
Cash and bank balances	176	8,162
Amounts held at futures clearing houses and brokers	392	1,622
Total cash and bank balances	568	9,784

**10. Provision for liabilities**

	30/04/22	30/04/21
	£000	£000
Deferred taxation	-	456

**11. Other creditors**

	30/04/22	30/04/21
	£000	£000
Purchases awaiting settlement	3,747	10,000
Amounts payable for cancellation of shares	88	53
Accrued expenses	86	33
Corporation tax payable	370	5
Total other creditors	4,291	10,091

**12. Related party transactions**

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD and registration fees are disclosed in note 4, with £6,751 (30/04/21: £10,469) due at the year end.

The amounts of distributions payable to companies in the Lloyds Banking Group plc which were outstanding at the year end were £1,263,238 (30/04/21: £nil).

Distributions payable to the Lloyds Banking Group plc, parent company of the ACD during the year were £2,256,745 (30/04/21: £37,851).

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of nil shares (30/04/21: 15,000,000) with a cost of £nil (30/04/21: £15,000,000) and sales of nil shares (30/04/21: 15,000,000 shares) with sales proceeds of £nil (30/04/21: £15,000,000).

*Shares held by associates of the ACD*

On 30th April, shares held as a percentage of the sub-fund's value were:

	30/04/22	30/04/21
	%	%
ACD and associates of the ACD	99.72	99.56

**13. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class I - Accumulation	0.50	0.50

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**13. Share classes (continued)**

	30/04/22 %	30/04/21 %
--	---------------	---------------

Share Class X - Accumulation

-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 177 to 178.

The distribution per share class is given in the Distribution Tables on page 193.

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

	01/05/21 Opening shares in issue	Creations	Cancellations	30/04/22 Closing shares in issue
Share Class I - Accumulation	132,099	5,000	(10,500)	126,599
Share Class X - Accumulation	28,119,616	7,243,400	(2,194,100)	33,168,916

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

**15. Risk management policies, derivatives and other financial instruments**

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

**(a) Currency risk**

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts and futures. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £1,608,434 (30/04/21: £1,297,818).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Australian dollar	3,819	2,870
Brazilian real	1,117	-
Canadian dollar	4,943	3,268
Chilean peso	98	-
Chinese yuan	526	-
Colombian peso	29	-
Czech Republic koruna	32	-
Danish krone	1,166	-
Egyptian pound	10	-
Euro	13,286	12,183
Hong Kong dollar	5,543	1,306
Hungarian forint	34	-
Indonesian rupiah	325	-
Israeli shekel	264	-
Japanese yen	10,459	8,979

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 15. Risk management policies, derivatives and other financial instruments (continued)

Currency	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Kuwaiti dinar	173	-
Malaysian ringgit	348	-
Mexican peso	435	-
New Zealand dollar	179	-
Norwegian krone	362	-
Philippine peso	102	-
Polish zloty	115	-
Qatari rial	150	-
Romanian leu	9	-
Saudi Arabian riyal	897	-
Singapore dollar	700	462
South African rand	755	-
South Korean won	2,282	-
Swedish krona	1,490	1,552
Swiss franc	4,338	3,689
Taiwanese dollar	3,272	-
Thai baht	327	-
Turkish lira	17	-
UAE dirham	291	-
US dollar	103,088	95,473
Total	160,981	129,782

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

The sub-fund received revenue from holdings in short term deposits in prior year. The cashflow from these investments is shown in the table below and can fluctuate with changes to base lending rates. These cashflows are relatively managed but considered to be of secondary importance, as the sub-fund's objective is to seek capital growth.

The interest rate risk profile of the company's financial assets and liabilities at 30th April was:

Currency	Floating rate financial assets/(liabilities) £000	Fixed rate financial assets £000	Financial assets/ (liabilities) not carrying interest £000	Total £000
30/04/22				
Sterling	431	-	(450)	(19)
Australian dollar	-	-	3,819	3,819
Brazilian real	-	-	1,117	1,117
Canadian dollar	2	-	4,941	4,943
Chilean peso	-	-	98	98
Chinese yuan	19	-	507	526
Colombian peso	-	-	29	29
Czech Republic koruna	-	-	32	32
Danish krone	-	-	1,166	1,166
Egyptian pound	-	-	10	10
Euro	10	-	13,276	13,286
Hong Kong dollar	-	-	5,543	5,543
Hungarian forint	-	-	34	34
Indonesian rupiah	-	-	325	325
Israeli sheqel	-	-	264	264



## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 15. Risk management policies, derivatives and other financial instruments (continued)

Currency	Floating rate financial assets/(liabilities) £000	Fixed rate financial assets £000	Financial assets/ (liabilities) not carrying interest £000	Total £000
Japanese yen	1	-	10,458	10,459
Kuwaiti dinar	-	-	173	173
Malaysian ringgit	-	-	348	348
Mexican peso	-	-	435	435
New Zealand dollar	1	-	178	179
Norwegian krone	-	-	362	362
Philippine peso	-	-	102	102
Polish zloty	-	-	115	115
Qatari rial	-	-	150	150
Romanian leu	-	-	9	9
Saudi riyal	42	-	855	897
Singapore dollar	1	-	699	700
South African rand	1	-	754	755
South Korean won	4	-	2,278	2,282
Swedish krona	1	-	1,489	1,490
Swiss franc	-	-	4,338	4,338
Taiwanese dollar	45	-	3,227	3,272
Thailand baht	1	-	326	327
Turkish lira	-	-	17	17
UAE dirham	1	-	290	291
US dollar	(22)	-	103,110	103,088
Total	538	-	160,424	160,962

Currency	Floating rate financial assets/(liabilities) £000	Fixed rate financial assets £000	Financial assets/(liabilities) not carrying interest £000	Total £000
<b>30/04/21</b>				
Sterling	9,527	104,997	(113,373)	1,151
Australian dollar	-	-	2,870	2,870
Canadian dollar	-	-	3,268	3,268
Euro	78	-	12,105	12,183
Hong Kong dollar	49	-	1,257	1,306
Japanese yen	-	-	8,979	8,979
Singapore dollar	13	-	449	462
Swedish krona	57	-	1,495	1,552

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 15. Risk management policies, derivatives and other financial instruments (continued)

Currency	Floating rate financial assets/(liabilities) £000	Fixed rate financial assets £000	Financial assets/(liabilities) not carrying interest £000	Total £000
Swiss franc	-	-	3,689	3,689
US dollar	59	-	95,414	95,473
Total	9,783	104,997	16,153	130,933

The sub-fund's net cash holding of £175,320 (30/04/21: holding £8,161,647) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £362,594 (30/04/21: cash £1,622,513), whose rates are based on SONIA or its international equivalent.

As at 30th April 2022, if interest rates increased or decreased by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £40,254 (30/04/21: £294,992).

The sub-fund did not have any long term financial liabilities.

## (c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

Financial derivative instrument exposure - fair value	30/04/22 £000	30/04/21 £000
Exchange traded derivatives	-	5,633
Forward currency contracts	411	295
Total Financial derivative instrument exposure	411	5,928

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 15. Risk management policies, derivatives and other financial instruments (continued)

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	30/04/22	30/04/21
	£000	£000
BNP Paribas - Forward currency contracts	-	107
Deutsche Bank - Forward currency contracts	-	(5)
Goldman Sachs - Forward currency contracts	-	45
HSBC Bank - Forward currency contracts	(114)	1
JPMorgan Securities - Forward currency contracts	(25)	(16)
Lloyds Bank - Forward currency contracts	-	(6)
Merrill Lynch - Forward currency contracts	(3)	(59)
Morgan Stanley - Forward currency contracts	151	-
Royal Bank of Canada - Forward currency contracts	150	(6)
UBS - Forward currency contracts	-	4
Merrill Lynch - Futures contracts	(245)	5,627
Total counterparty exposure	<b>(86)</b>	<b>5,692</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

**Collateral**

	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	393	1,366
EUR Cash - Merrill Lynch	-	78
HKD Cash - Merrill Lynch	-	49
SEK Cash - Merrill Lynch	-	57
SGD Cash - Merrill Lynch	-	13
USD Cash - Merrill Lynch	(30)	59

No collateral was received in the current or prior year.

*(d) Liquidity risk*

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

for the year ended 30th April 2022

**15. Risk management policies, derivatives and other financial instruments (continued)**

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

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

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £8,047,526 (30/04/21: £6,320,417).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	111.48	273.63
Commitment leverage	103.71	297.26

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 16. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	29,538	1,411	35,136	1,471
Equities	162,315	-	12,028	-
Short term deposits	498,200	5,180,955	608,199	5,149,986
<b>Trades in the year before transaction costs</b>	<b>690,053</b>	<b>5,182,366</b>	<b>655,363</b>	<b>5,151,457</b>
<b>Commissions</b>				
Collective Investment Schemes~	-	0	-	0
Equities	15	-	(1)	-
Total commissions	15	0	(1)	0
<b>Taxes and other expenses</b>				
Collective Investment Schemes~	-	-	0	0
Equities	31	-	(3)	-
Total taxes and other expenses	31	0	(3)	0
Total costs	46	0	(4)	0
<b>Total net trades in the year after transaction costs</b>	<b>690,099</b>	<b>5,182,366</b>	<b>655,359</b>	<b>5,151,457</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

## Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	0.00	0.01	0.00	0.00
Equities	0.01	0.00	0.01	0.00
<b>Taxes and other expenses</b>				
Collective Investment Schemes	-	-	0.00	0.00
Equities	0.02	0.00	0.03	0.00

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

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Commissions	0.01	0.00
Taxes and other expenses	0.02	0.00
Total costs	0.03	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.09% (30/04/21: 0.01%).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**17. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	158,077	-	123,610	(6)
Level 2	3,127	(253)	3,034	(230)
Level 3	-	-	-	-
Total fair value	161,204	(253)	126,644	(236)

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

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

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

# International Equity Tracker Fund

## Distribution Tables

for the year ended 30th April 2022

### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1st May 2021

Final Shares purchased prior to 1st November 2021

Group 2 Interim Shares purchased on or between 1st May 2021 and 31st October 2021

Final Shares purchased on or between 1st November 2021 and 30th April 2022

### Share Class I - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Interim	1.7214	-	1.7214	-
Final	2.3478	-	2.3478	-
Group 2	(p)	(p)	(p)	(p)
Interim	0.5997	1.1217	1.7214	-
Final	2.3474	0.0004	2.3478	-

### Share Class X - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 30/06/2022	Distributions paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Interim	3.0751	-	3.0751	0.1405
Final	3.8081	-	3.8081	-
Group 2	(p)	(p)	(p)	(p)
Interim	1.9927	1.0824	3.0751	0.1405
Final	1.4206	2.3875	3.8081	-

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

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

Interim - 100.00% of the dividend, is received as non-taxable income.

Interim - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Final - 100.00% of the dividend, is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

# Progressive Growth Portfolio 1

## Investment Markets Overview

---

for the year ended 30th April 2022

### Investment Objective

To provide capital growth through investment in regulated collective investment schemes.

These collective investment schemes will provide exposure to shares together with exposure to a mix of asset classes (including fixed interest securities, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

### Investment Policy

At least 60% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

A maximum of 40% of the Fund will provide exposure to fixed interest securities. This will include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. It may also include overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund which may be actively or passively managed\*\*\* and may include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors.

Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Progressive. Our Progressive funds are dominated by exposure to UK and International shares but may also have some bonds, property, cash and absolute returns strategies to aim to lower volatility during market fluctuations.

These funds seek higher returns which might be achieved from investment in shares compared to our other Multi-Asset funds with lower risk assets but may experience greater volatility of returns.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 40-85% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>



## Progressive Growth Portfolio 1

### Investment Markets Overview

(continued)

for the year ended 30th April 2022

#### Synthetic Risk and Reward Indicator

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

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 18th March 2022.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>						
	<p>Typically higher rewards, higher risks</p> <p>→</p>						
	1	2	3	4	5	6	7

#### Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Progressive Growth Portfolio 1 A Accumulation	4.97	21.68	(9.32)	2.69	5.68

Source: Financial Express for Progressive Growth Portfolio 1. Basis: Net revenue reinvested and net of expenses.

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

The Portfolio achieved a positive return in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Equity returns were the primary driver of positive performance over the period, supported by the allocation to global, UK and US stocks. Alternative assets also added value, led by the allocation to property and commodities. Fixed income holdings detracted from returns as emerging market and investment grade debt struggled over the period.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022

# Progressive Growth Portfolio 1

## Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.46%, 30/04/21 99.55%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	49,392,391	50,909	9.56
BNY Mellon Global Absolute Return Fund W Acc	4,087,086	5,149	0.97
BNY Mellon Real Return Fund W Acc	3,624,111	5,148	0.97
HBOS International Growth Fund I Inc†	5,392,213	32,262	6.06
HBOS UK FTSE All-Share Index Tracking Fund I Inc†	64,994,877	46,445	8.72
HBOS UK Property Fund I Inc†	13,664,931	16,781	3.15
Nordea 1 Diversified Return Fund BD GBP Acc	40,520	5,301	1.00
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)Ø	245,377	30,949	5.81
Schroder Sterling Liquidity Fund X Inc†Ø	9,390,528	9,390	1.76
Schroder Sterling Short Duration Bond Fund X IncØ	35,460	3,544	0.67
Scottish Widows Asia Pacific (ex Japan) Equity Fund X Acct†	2,470,690	4,311	0.81
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	6,718,211	7,934	1.49
Scottish Widows Corporate Bond Fund W Gross Acct†	8,705,444	11,665	2.19
Scottish Widows Emerging Markets Fund X Acct†	10,223,131	29,391	5.52
Scottish Widows European (ex UK) Equity Tracker Fund X Acct†	7,178,531	14,379	2.70
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	16,121,660	23,973	4.50
Scottish Widows Fundamental Index Global Equity Fund X Acct†	9,729,589	25,851	4.86
Scottish Widows Fundamental Index UK Equity Fund X Acct†	3,778,449	6,488	1.22
Scottish Widows Fundamental Low Volatility Index Emerging Markets Equity Fund X Acct†	3,421,206	5,902	1.11
Scottish Widows Fundamental Low Volatility Index UK Equity Fund X Acct†	4,545,245	6,172	1.16
Scottish Widows Global Growth Fund X Acct†	10,436,846	32,125	6.03
Scottish Widows Global Select Growth Fund X Acct†	1,032,062	18,340	3.44
Scottish Widows High Income Bond Fund X Gross Acct†	5,736,035	15,516	2.91
Scottish Widows Japan Equity Fund X Acct†	4,306,838	9,109	1.71
Scottish Widows UK All Share Tracker Fund X Acct†	11,768,116	38,705	7.27
Scottish Widows US Equity Tracker Fund X Acct†	17,271,120	69,274	13.01
		525,013	98.60
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR	195,107	4,558	0.86
		4,558	0.86
<b>TOTAL FINANCIALS</b>		<b>529,571</b>	<b>99.46</b>
<b>DERIVATIVES (0.24%, 30/04/21 0.03%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR20,760,000 for GBP17,252,390 Settlement 24/05/2022		211	0.04
Bought USD11,168,025 for GBP8,560,789 Settlement 24/05/2022		349	0.06
Bought USD2,368,975 for GBP1,836,643 Settlement 24/05/2022		54	0.01
Sold EUR997,200 for GBP841,488 Settlement 24/05/2022		3	0.00
Sold EUR1,047,060 for GBP882,881 Settlement 24/05/2022		2	0.00
Sold EUR987,228 for GBP832,559 Settlement 24/05/2022		2	0.00
Sold EUR1,002,186 for GBP844,734 Settlement 24/05/2022		2	0.00
Sold EUR997,200 for GBP841,238 Settlement 24/05/2022		2	0.00
Sold EUR997,200 for GBP841,131 Settlement 24/05/2022		2	0.00
Sold EUR997,200 for GBP841,396 Settlement 24/05/2022		2	0.00
Sold EUR897,480 for GBP757,428 Settlement 24/05/2022		2	0.00
Sold EUR1,002,186 for GBP844,985 Settlement 24/05/2022		2	0.00
Sold EUR523,531 for GBP441,060 Settlement 24/05/2022		1	0.00

## Progressive Growth Portfolio 1

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
Sold EUR523,529 for GBP441,229 Settlement 24/05/2022		1	0.00
Sold USD10,005,000 for GBP7,686,989 Settlement 24/05/2022		(295)	(0.05)
		340	0.06
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures June 2022	(115)	(48)	(0.01)
FTSE 100 Index Futures June 2022	169	323	0.06
MSCI World Energy Index Futures June 2022	69	89	0.02
S&P 500 E Mini Index Futures June 2022	(61)	602	0.11
		966	0.18
<b>TOTAL DERIVATIVES</b>		<b>1,306</b>	<b>0.24</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>530,877</b>	<b>99.70</b>
<b>Net other assets</b>		<b>1,586</b>	<b>0.30</b>
<b>Total net assets</b>		<b>532,463</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser or a related party of the Investment Adviser.

## Progressive Growth Portfolio 1

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	204,706	Schroder Sterling Liquidity Fund X Inc†‡	197,976
Scottish Widows UK Equity Tracker Fund X Acct†	70,877	BlackRock ACS Climate Transition World Equity Fund X0 GBP Acc	53,603
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	53,603	BlackRock ACS Climate Transition World Equity Fund X1 GBP Acc	13,071
BlackRock ACS Climate Transition World Equity Fund X0 GBP Acc	51,391	Scottish Widows UK Equity Tracker Fund X Acct†	9,828
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)‡	25,351	iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF#	7,033
Scottish Widows Emerging Markets Fund X Acct†	23,719	BNY Mellon Newton Real Return Fund X Acc	5,762
HBOS UK FTSE All-Share Index Tracking Fund I Inc†	21,186	Scottish Widows Global Growth Fund X Acct†	5,467
Scottish Widows Global Select Growth Fund X Acct†	18,260	HBOS International Growth Fund I Inc†	4,944
Scottish Widows Fundamental Index Global Equity Fund X Acct†	17,923	BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	4,480
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	17,205	Schroder Sterling Short Duration Bond Fund X Inc‡	4,248

†This investment is a related party (see note 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Funds.

## Progressive Growth Portfolio 1

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	261.47	214.92	236.96
Return before operating charges*	16.53	50.27	(18.34)
Operating charges	(2.97)	(3.72)	(3.70)
Return after operating charges*	13.56	46.55	(22.04)
Distributions	(1.66)	(2.18)	(4.39)
Retained distributions on accumulation shares	1.66	2.18	4.39
Closing net asset value per share	275.03	261.47	214.92
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	5.19%	21.66%	(9.30)%
<b>Other information</b>			
Closing net asset value (£000)	296,714	184,369	159,905
Closing number of shares	107,884,327	70,513,401	74,401,101
Operating chargesΔ#	1.09%	1.58%	1.57%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	284.60	261.60	251.90
Lowest share price	257.70	207.50	185.00

ΔDuring the period, the ACD's periodic charge changed from 1.50% to 0.95%. As such, 1.05% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 194 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Progressive Growth Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class B - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	271.80	222.86	245.10
Return before operating charges*	7.06	52.20	(19.02)
Operating charges	(0.86)	(3.26)	(3.22)
Return after operating charges*	6.20	48.94	(22.24)
Distributions	-	(2.88)	(5.16)
Retained distributions on accumulation shares	-	2.88	5.16
Return to shareholder as a result of class closure	(278.00)	-	-
Closing net asset value per share	-	271.80	222.86
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	-	21.96%	(9.07)%
<b>Other information</b>			
Closing net asset value (£000)	-	27,365	23,436
Closing number of shares	-	10,068,045	10,516,145
Operating charges#	-	1.33%	1.32%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	-	271.90	261.00
Lowest share price	-	215.20	191.80

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class B Accumulation was closed on 21st June 2021.

## Progressive Growth Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	122.40	100.11	109.82
Return before operating charges*	3.22	23.48	(8.54)
Operating charges	(0.32)	(1.19)	(1.17)
Return after operating charges*	2.90	22.29	(9.71)
Distributions	-	(1.57)	(2.59)
Retained distributions on accumulation shares	-	1.57	2.59
Return to shareholder as a result of class closure	(125.30)	-	-
Closing net asset value per share	-	122.40	100.11
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	-	22.27%	(8.84)%
<b>Other information</b>			
Closing net asset value (£000)	-	13,020	10,268
Closing number of shares	-	10,637,400	10,257,500
Operating charges#	-	1.08%	1.07%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	-	122.40	117.20
Lowest share price	-	96.66	86.12

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class P Accumulation was closed on 21st June 2021.

## Progressive Growth Portfolio 1

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)
<b>Share Class X - Accumulation</b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	4.23
Operating charges	(0.08)
Return after operating charges*	4.15
Distributions	(1.27)
Retained distributions on accumulation shares	1.27
Closing net asset value per share	104.15
*after direct transaction cost of:	0.00
<b>Performance</b>	
Return after charges	0.00
<b>Other information</b>	
Closing net asset value (£000)	235,749
Closing number of shares	226,358,647
Operating charges#	0.10%
Direct transaction costs	0.00%
<b>Prices**</b>	
Highest share price	107.50
Lowest share price	98.93

#Operating charges are representative of the ongoing charges figure.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 25th June 2021.



## Progressive Growth Portfolio 1

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital gains	2	18,963	39,038
Revenue	3	7,547	5,068
Expenses	4	(2,889)	(3,007)
Interest payable and similar charges		(28)	(4)
Net revenue before taxation		4,630	2,057
Taxation	5	(1)	(2)
Net revenue after taxation		4,629	2,055
<b>Total return before distributions</b>		<b>23,592</b>	<b>41,093</b>
Distributions	6	(4,647)	(2,055)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>18,945</b>	<b>39,038</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>224,754</b>	<b>193,609</b>
Amounts receivable on creation of shares	316,190	2,079
Less: Amounts payable on cancellation of shares	(32,100)	(11,967)
	284,090	(9,888)
Dilution adjustment	3	-
Change in net assets attributable to shareholders from investment activities	18,945	39,038
Retained distributions on accumulation shares	4,671	1,995
<b>Closing net assets attributable to shareholders</b>	<b>532,463</b>	<b>224,754</b>

Notes to the Financial Statements are on pages 205 to 212.

## Progressive Growth Portfolio 1

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		521,830	221,395
<b>Current assets</b>			
Debtors	8	973	790
Cash and bank balances	9	1,388	692
Cash equivalents‡		9,390	2,660
<b>Total assets</b>		<b>533,581</b>	<b>225,537</b>
<b>Liabilities</b>			
Investment liabilities		(343)	(242)
<b>Creditors</b>			
Bank overdrafts		(80)	-
Other creditors	10	(695)	(541)
<b>Total liabilities</b>		<b>(1,118)</b>	<b>(783)</b>
<b>Net assets attributable to shareholders</b>		<b>532,463</b>	<b>224,754</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 205 to 212.

## Notes to the Financial Statements

for the year ended 30th April 2022

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

### 2. Net capital gains

The net capital gains during the year comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	18,188	37,445
Futures contracts	(474)	1,684
Forward currency contracts	1,334	(119)
Currency (losses)/gains	(85)	28
Net capital gains*	18,963	39,038

\*Includes realised gains of £10,652,000 and unrealised gains of £8,311,000 (30/04/21: realised gains of £17,355,000 and unrealised gains of £21,683,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	6,286	3,819
Interest distributions	1,120	1,212
Offshore distributions	27	20
Bank interest	-	1
Registration fee rebate	9	8
AMC rebates	15	1
Compensation <sup>◇</sup>	-	7
Income received from donating fund <sup>#</sup>	90	-
Total revenue	7,547	5,068

<sup>◇</sup>Prior year compensation received from Schroder Investment Management Limited due to a trading error.

<sup>#</sup>Current year income received from Russell merger.

### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	2,876	2,997
<b>Other expenses:</b>		
Audit fee	13	10
Total expenses	2,889	3,007

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Irrecoverable overseas tax	1	2
Total taxation (note 5b)	1	2

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	4,630	2,057
Corporation tax of 20% (2021: 20%)	926	411
<b>Effects of:</b>		
Non-taxable UK dividends*	(1,160)	(761)
Irrecoverable overseas tax	1	2
Movement in excess management expenses	234	350
Total tax charge for year (note 5a)	1	2

\*As an authorised OEIC this item is not subject to corporation tax.

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,437,712 (30/04/21: £2,203,178) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the sub-fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Final	4,671	1,995
Add: Revenue deducted on cancellation of shares	226	75
Deduct: Revenue received on creation of shares	(250)	(15)
Net distribution for the year	4,647	2,055

Details of the distributions per share are set out in the Distribution Tables on page 213.

**7. Movement between net revenue and net distributions**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue after taxation	4,629	2,055
Movement in net income as a result of conversions	18	-
Net distribution for the year	4,647	2,055

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**8. Debtors**

	30/04/22	30/04/21
	£000	£000
Amounts receivable for issue of shares	149	163
Accrued revenue	721	622
AMC rebates receivable	7	1
Income tax receivable	96	4
Total debtors	973	790

**9. Cash and bank balances**

	30/04/22	30/04/21
	£000	£000
Cash and bank balances	522	200
Amounts held at futures clearing houses and brokers	866	492
Total cash and bank balances	1,388	692

**10. Other creditors**

	30/04/22	30/04/21
	£000	£000
Amounts payable for cancellation of shares	466	267
Accrued expenses	229	274
Total other creditors	695	541

**11. Related party transactions**

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

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

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £225,140 (30/04/21: £264,102) due at the year end.

The amounts of distributions payable to companies in the Lloyds Banking Group plc which were outstanding at the year end were £2,879,056 (30/04/21: £0).

Distributions payable to the Lloyds Banking Group plc, parent company of the ACD during the year were £2,879,056 (30/04/21: £0).

The sub-fund entered into related party transactions of Lloyds Banking Group plc investments during the year. This included purchases of 115,575,374 shares (30/04/21: 31,889,235 shares) with a cost of £239,675,979 (30/04/21: £55,300,526) and sales of 17,705,480 shares (30/04/21: 45,875,109 shares) with sales proceeds of £39,388,688 (30/04/21: £77,531,845).

The sub-fund has a related party holding of 207,495,193 shares (30/04/21: 109,625,300 shares) and value of £414,623,564 (30/04/21: £192,025,531) held at the year end within the Lloyds Banking Group plc.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group plc investments. The total revenue received amounts to £7,134,147 (30/04/21: £4,607,486).

*Shares held by associates of the ACD*

On 30th April, shares held as a percentage of the sub-fund's value were:

	30/04/22	30/04/21
	%	%
ACD and associates of the ACD	44.28	0.00

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**12. Share classes**

On 30th April the share classes in issue and the associated ACD's periodic charge on each share class, is as follows:

	30/04/22	30/04/21
	%	%
Share Class A - Accumulation	0.95	1.50
Share Class B - Accumulation	N/A	1.25
Share Class P - Accumulation	N/A	1.00
Share Class X - Accumulation	-	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 199 to 202.

The distribution per share class is given in the Distribution Tables on page 213.

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

	01/05/21			30/04/22
	Opening shares		Shares	Closing shares
	in issue	Creations	converted	in issue
Share Class A - Accumulation	70,513,401	26,244,236	15,494,690	107,884,327
Share Class B - Accumulation	10,068,045	10,500	(9,957,643)	-
Share Class P - Accumulation	10,637,400	359,400	(10,973,462)	-
Share Class X - Accumulation	-	245,843,647	-	226,358,647
		(4,368,000)		
		(120,902)		
		(23,338)		
		(19,485,000)		

**13. Capital commitments and contingent liabilities**

On 30th April 2022, the sub-fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 194. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

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

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts and futures and options. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £121,949 (30/04/21: £35,022).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure	Currency exposure
	30/04/22	30/04/21
Currency	£000	£000
Canadian dollar	-	3,561
Euro	9,135	(3,606)
Japanese yen	-	84
US dollar	3,060	(3,541)
Total	12,195	(3,502)

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)***(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating a high level of revenue.

The sub-fund's net cash holding of £441,303 (30/04/21: holding £200,393) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £866,377 (30/04/21: cash £491,877), whose rates are based on SONIA or its international equivalent.

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, given the level and nature of the derivatives held, it is not deemed to have sophisticated derivatives holdings requiring further sensitivity analysis or value at risk disclosure. As such no additional disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/04/22</b>	<b>30/04/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	1,014	241
Forward currency contracts	635	63
<b>Total Financial derivative instrument exposure</b>	<b>1,649</b>	<b>304</b>

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 14. Risk management policies, derivatives and other financial instruments (continued)

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	30/04/22	30/04/21
	£000	£000
Bank of America - Forward currency contracts	405	58
Barclays Bank - Forward currency contracts	4	-
Citibank - Forward currency contracts	(82)	-
HSBC Bank - Forward currency contracts	2	-
JPMorgan Chase Bank - Forward currency contracts	9	5
Morgan Stanley - Forward currency contracts	1	-
State Street Bank and Trust Company - Forward currency contracts	1	(13)
Merrill Lynch - Futures contracts	966	12
Total counterparty exposure	<b>1,306</b>	<b>62</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

<b>Collateral</b>	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	824	224
EUR Cash - Merrill Lynch	122	-
JPY Cash - Merrill Lynch	-	84
USD Cash - Merrill Lynch	(80)	184

No collateral was received in the current or prior year.

*(d) Liquidity risk*

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

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

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



## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £26,543,873 (30/04/21: £11,190,643).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	113.37	109.17
Commitment leverage	106.22	109.09

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	612,235	112,836	329,231	122,428
<b>Total net trades in the year after transaction costs</b>	<b>612,235</b>	<b>112,836</b>	<b>329,231</b>	<b>122,428</b>

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

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Taxes and other expenses	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.02% (30/04/21: 0.01%).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**16. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	5,572	(48)	241	(229)
Level 2	525,648	(295)	223,814	(13)
Level 3	-	-	-	-
Total fair value	531,220	(343)	224,055	(242)

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

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

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

# Progressive Growth Portfolio 1

## Distribution Tables

for the year ended 30th April 2022

### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st May 2021

Group 2 Final Shares purchased on or between 1st May 2021 and 30th April 2022

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	1.6612	-	1.6612	2.1819
Group 2	(p)	(p)	(p)	(p)
Final	0.9635	0.6977	1.6612	2.1819

#### Share Class B - Accumulation\*

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	-	-	-	2.8770
Group 2	(p)	(p)	(p)	(p)
Final	-	-	-	2.8770

#### Share Class P - Accumulation\*

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	-	-	-	1.5690
Group 2	(p)	(p)	(p)	(p)
Final	-	-	-	1.5690

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	1.2719	-	1.2719	-
Group 2	(p)	(p)	(p)	(p)
Final	0.5904	0.6815	1.2719	-

\*Share Classes B Accumulation and P Accumulation were closed on 21st June 2021.

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

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

Final - 100.00% of the dividend is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## Progressive Growth Portfolio 2

### Investment Markets Overview

---

for the year ended 30th April 2022

#### Investment Objective

To provide capital growth through investment in regulated collective investment schemes.

These collective investment schemes will provide exposure to shares with some exposure to a mix of asset classes (including fixed interest securities, property and cash) and absolute return strategies\*.

\*Absolute return strategies aim to provide positive returns regardless of market conditions.

#### Investment Policy

At least 60% of the Fund will provide exposure to shares. This can include funds which may consist of UK, overseas and emerging markets shares.

A maximum of 40% of the Fund will provide exposure to fixed interest securities. This may include sterling denominated investment grade\* bond funds which may consist of corporate, government and index-linked bonds. The Fund may also invest in overseas and emerging markets corporate and government bond funds, and high yield bond\*\* funds.

A maximum of 17% of the Fund will provide exposure to property. This may include UK and overseas property funds.

The Fund may also provide exposure to absolute return strategies, commodities and (directly or indirectly) cash and cash like investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on their medium to long term outlook for that asset class. The ACD may review and change this from time to time based on their view at the time.

The Investment Adviser may make shorter term allocation changes, which vary from the above, allocating more or less to specific asset classes. This is based on their short term view of the asset class.

The ACD is also responsible for selecting the collective investment schemes used by the Fund which may be actively or passively managed\*\*\* and include up to 100% investment in collective investment schemes which have been or are currently managed or advised by the ACD and/or an associate of the ACD.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short term changes to the currency exposures of the Fund.

The collective investment schemes in which the Fund invests may use techniques which are not employed by the Fund itself, for example the use of derivatives for investment purposes and stock lending.

\*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating.

\*\*Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.

\*\*\*Active management is where the Investment Adviser seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors.

Passive management is where the Investment Adviser aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

The ACD has named this Fund Progressive. Our Progressive funds are dominated by exposure to UK and International shares but may also have some bonds, property, cash and absolute returns strategies to aim to lower volatility during market fluctuations.

These funds seek higher returns which might be achieved from investment in shares compared to our other Multi-Asset funds with lower risk assets but may experience greater volatility of returns.

The ACD does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and the ACD's view of the prospects of each asset class.

Investors may assess the Fund relative to similar funds offered by other investment firms. A number of fund industry bodies and data providers group similar funds together and provide analysis on performance and risk characteristics of the fund group. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at <https://www.theinvestmentassociation.org/fund-sectors>

Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 40-85% Shares Sector" which as of June 2021 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website <https://www.scottishwidows.co.uk/global/fundchanges/>

## Investment Markets Overview

(continued)

for the year ended 30th April 2022

## Synthetic Risk and Reward Indicator

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

The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 18th March 2022.	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						→
	1	2	3	4	5	6	7

## Investment Review

Performance	01/05/21 to 30/04/22 %	01/05/20 to 30/04/21 %	01/05/19 to 30/04/20 %	01/05/18 to 30/04/19 %	01/05/17 to 30/04/18 %
Progressive Growth Portfolio 2 A Accumulation	5.54	22.04	(11.55)	2.31	6.35

Source: Financial Express for Progressive Growth Portfolio 2. Basis: Net revenue reinvested and net of expenses.

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

The Portfolio achieved a positive performance in the 12 months to 30th April 2022.

Global equities performed strongly at the start of the period, supported by the accelerating roll-out of Covid-19 vaccines. However, the third quarter of 2021 saw a divergence in global equity markets, with developed markets largely flat and emerging market shares underperforming amid a sell-off in China, triggered by concerns over the ability of Chinese property company Evergrande to service its debts.

Global share prices were stronger in the final months of 2021 as investors focused on economic resilience and corporate earnings. US equities were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's (Fed) asset tapering had weighed. However, Russia's invasion of Ukraine in late February caused a global shock. Equity prices declined and commodity prices soared given that Russia is a key producer of many important commodities including oil, gas, and wheat.

Bond yields rose sharply in Q1 2022 as central banks turned more hawkish and began to tighten monetary policy. Bonds briefly benefitted from a move into safer haven assets following Russia's invasion of Ukraine, but this proved short-lived. The conflict has exacerbated supply chain disruption and inflation. Global investment grade corporate bonds produced negative total returns (local currency), and underperformed government bonds. High yield credit declined, but outperformed investment grade.

Equity returns were the primary driver of positive performance over the period, supported by the allocation to global and UK stocks. Alternative assets also added value, led by the allocation to property and commodities. Fixed income holdings detracted from returns as emerging market, high yield and investment grade debt struggled over the period. Central banks have turned more hawkish, and markets have subsequently priced in a faster pace of monetary normalisation.

Our outlook on equities remains negative in an environment of tightening liquidity, persistent inflation and slowing economic growth. In the case of government bonds, we are neutral as although inflation and growth data remain elevated, momentum is slowing, and Omicron concerns are fading.

Schroder Investment Management Limited  
May 2022

## Progressive Growth Portfolio 2

### Portfolio Statement

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.35%, 30/04/21 99.30%)</b>			
<b>Collective Investment Schemes</b>			
BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	9,128,607	9,409	5.42
BNY Mellon Global Absolute Return Fund W Acc	1,345,274	1,695	0.98
HBOS International Growth Fund I Inc†	3,974,857	23,782	13.71
HBOS UK FTSE All-Share Index Tracking Fund I Inc†	26,167,787	18,699	10.78
HBOS UK Property Fund I Inc†	4,432,693	5,443	3.14
Nordea 1 Diversified Return Fund BD GBP Acc	13,698	1,792	1.03
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged)Ø	67,653	8,533	4.92
Schroder Sterling Liquidity Fund X Inc†Ø	3,294,606	3,295	1.90
Scottish Widows Corporate Bond 1 Fund W Gross Acct†	2,177,318	2,571	1.48
Scottish Widows Corporate Bond Fund W Gross Acct†	221,881	297	0.17
Scottish Widows Emerging Markets Fund X Acct†	2,908,072	8,361	4.82
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	4,538,973	6,749	3.89
Scottish Widows Fundamental Index Global Equity Fund X Acct†	2,169,623	5,765	3.32
Scottish Widows Fundamental Index UK Equity Fund X Acct†	1,838,238	3,156	1.82
Scottish Widows Fundamental Low Volatility Index Emerging Markets Equity Fund X Acct†	990,435	1,709	0.99
Scottish Widows Fundamental Low Volatility Index UK Equity Fund X Acct†	2,444,834	3,320	1.91
Scottish Widows Global Growth Fund X Acct†	7,847,443	24,154	13.93
Scottish Widows High Income Bond Fund X Gross Acct†	2,617,743	7,081	4.08
Scottish Widows UK All Share Tracker Fund X Acct†	4,956,125	16,301	9.40
Scottish Widows UK Growth Fund X Inc†	14,722,664	18,742	10.81
		170,854	98.50
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	63,465	1,483	0.85
		1,483	0.85
<b>TOTAL FINANCIALS</b>		<b>172,337</b>	<b>99.35</b>
<b>DERIVATIVES (0.24%, 30/04/21 0.03%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR6,697,000 for GBP5,565,475 Settlement 24/05/2022		62	0.03
Bought USD2,899,050 for GBP2,222,251 Settlement 24/05/2022		87	0.05
Bought USD614,950 for GBP476,765 Settlement 24/05/2022		13	0.01
Sold EUR324,700 for GBP273,882 Settlement 24/05/2022		1	0.00
Sold EUR321,453 for GBP271,091 Settlement 24/05/2022		1	0.00
Sold EUR326,323 for GBP275,055 Settlement 24/05/2022		1	0.00
Sold EUR170,468 for GBP143,670 Settlement 24/05/2022		1	0.00
Sold EUR292,230 for GBP246,628 Settlement 24/05/2022		1	0.00
Sold EUR324,700 for GBP273,969 Settlement 24/05/2022		1	0.00
Sold EUR340,935 for GBP287,476 Settlement 24/05/2022		1	0.00
Sold EUR324,700 for GBP273,917 Settlement 24/05/2022		1	0.00
Sold EUR326,324 for GBP275,137 Settlement 24/05/2022		1	0.00
Sold EUR324,700 for GBP273,998 Settlement 24/05/2022		1	0.00
Sold EUR170,467 for GBP143,613 Settlement 24/05/2022		0	0.00
Sold USD2,770,000 for GBP2,128,232 Settlement 24/05/2022		(78)	(0.04)
		94	0.05

## Progressive Growth Portfolio 2

### Portfolio Statement

(continued)

as at 30th April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures June 2022	(38)	(16)	(0.01)
FTSE 100 Index Futures June 2022	55	105	0.06
MSCI World Energy Index Futures June 2022	22	29	0.02
S&P 500 E Mini Index Futures June 2022	(20)	202	0.12
		320	0.19
<b>TOTAL DERIVATIVES</b>		<b>414</b>	<b>0.24</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>172,751</b>	<b>99.59</b>
<b>Net other assets</b>		<b>703</b>	<b>0.41</b>
<b>Total net assets</b>		<b>173,454</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

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

<sup>#</sup>Exchange Trade Fund.

## Progressive Growth Portfolio 2

### Material Portfolio Changes

for the year ended 30th April 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	12,822	Schroder Sterling Liquidity Fund X Inc†‡	11,706
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	2,129	Scottish Widows Global Growth Fund X Acct†	3,179
Schroder ISF Emerging Market Bond Fund I GBP Acc (Hedged) ‡	1,711	HBOS International Growth Fund I Inc†	2,958
Scottish Widows Emerging Markets Fund X Acct†	1,126	Scottish Widows UK All Share Tracker Fund X Acct†	1,610
Scottish Widows UK Growth Fund X Inc†	913	HBOS UK FTSE All-Share Index Tracking Fund I Inc†	1,352
HBOS International Growth Fund I Inc†	525	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	1,270
Scottish Widows Fundamental Index Emerging Markets Equity Fund X Acct†	328	Scottish Widows Corporate Bond Fund W Gross Acct†	1,269
Scottish Widows UK All Share Tracker Fund X Acct†	319	HBOS UK Property Fund I Inc†	1,031
Scottish Widows High Income Bond Fund X Gross Acc	246	Scottish Widows UK Growth Fund X Inc	948
HBOS UK FTSE All-Share Index Tracking Fund I Inc	209	BlackRock ACS Climate Transition World Equity Fund X4 GBP Acc	768

†This investment is a related party (see note 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Trade Fund.



## Progressive Growth Portfolio 2

### Comparative Table

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	286.81	234.98	265.69
Return before operating charges*	18.07	55.96	(26.54)
Operating charges	(3.39)	(4.13)	(4.17)
Return after operating charges*	14.68	51.83	(30.71)
Distributions	(4.09)	(1.88)	(5.16)
Retained distributions on accumulation shares	4.09	1.88	5.16
Closing net asset value per share	301.49	286.81	234.98
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	5.12%	22.06%	(11.56)%
<b>Other information</b>			
Closing net asset value (£000)	173,454	165,450	146,615
Closing number of shares	57,134,328	57,687,265	62,394,765
Operating charges#Δ	1.14%	1.61%	1.60%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	311.60	287.10	281.10
Lowest share price	283.00	225.40	200.00

ΔDuring the period, the ACD's periodic charge changed from 1.50% to 0.95%. As such, 1.07% is a more representative figure for the ongoing charges figure.

#Operating charges are representative of the ongoing charges figure.

^ The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 214 which is sourced from Financial Express and based on daily published prices.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Progressive Growth Portfolio 2

### Comparative Table

(continued)

as at 30th April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Share Class P - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	120.02	97.84	110.08
Return before operating charges*	3.00	23.37	(11.05)
Operating charges	(0.32)	(1.19)	(1.19)
Return after operating charges*	2.68	22.18	(12.24)
Distributions	-	(1.32)	(2.68)
Retained distributions on accumulation shares	-	1.32	2.68
Return to shareholder as a result of class closure	(122.70)	-	-
Closing net asset value per share	-	120.02	97.84
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	-	22.67%	(11.12)%
<b>Other information</b>			
Closing net asset value (£000)	-	7,877	5,851
Closing number of shares	-	6,563,300	5,979,700
Operating charges#	-	1.11%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	-	120.10	116.90
Lowest share price	-	93.84	83.23

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class P Accumulation was closed on 21st June 2021.

## Progressive Growth Portfolio 2

### Statement of Total Return

for the year ended 30th April 2022

		01/05/21 to 30/04/22	01/05/20 to 30/04/21
	Notes	£000	£000
Income			
Net capital gains	2	7,599	31,136
Revenue	3	4,187	3,619
Expenses	4	(1,817)	(2,409)
Interest payable and similar charges		(1)	(3)
Net revenue before taxation		2,369	1,207
Taxation	5	(1)	(2)
Net revenue after taxation		2,368	1,205
<b>Total return before distributions</b>		<b>9,967</b>	<b>32,341</b>
Distributions	6	(2,374)	(1,205)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,593</b>	<b>31,136</b>

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

for the year ended 30th April 2022

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>173,327</b>	<b>152,466</b>
Amounts receivable on creation of shares	485	1,264
Less: Amounts payable on cancellation of shares	(10,285)	(12,711)
	(9,800)	(11,447)
Dilution adjustment	(2)	-
Change in net assets attributable to shareholders from investment activities	7,593	31,136
Retained distributions on accumulation shares	2,336	1,172
<b>Closing net assets attributable to shareholders</b>	<b>173,454</b>	<b>173,327</b>

Notes to the Financial Statements are on pages 223 to 230.

## Progressive Growth Portfolio 2

### Balance Sheet

as at 30th April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		169,550	170,179
<b>Current assets</b>			
Debtors	8	565	962
Cash and bank balances	9	455	604
Cash equivalents‡		3,295	2,179
<b>Total assets</b>		<b>173,865</b>	<b>173,924</b>
<b>Liabilities</b>			
Investment liabilities		(94)	(186)
<b>Creditors</b>			
Bank overdrafts		(32)	-
Other creditors	10	(285)	(411)
<b>Total liabilities</b>		<b>(411)</b>	<b>(597)</b>
<b>Net assets attributable to shareholders</b>		<b>173,454</b>	<b>173,327</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current and comparative year to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 223 to 230.

## Notes to the Financial Statements

for the year ended 30th April 2022

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 15 to 17.

### 2. Net capital gains

The net capital gains during the year comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Non-derivative securities	7,465	29,913
Futures contracts	(267)	1,295
Forward currency contracts	422	(89)
Currency (losses)/gains	(12)	24
Transaction charges	(9)	(7)
Net capital gains*	7,599	31,136

\*Includes realised gains of £5,653,000 and unrealised gains of £1,945,000 (30/04/21: realised gains of £12,983,000 and unrealised gains of £18,153,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	3,753	3,063
Interest distributions	421	516
Offshore distributions	5	4
Registration fee rebate	4	4
AMC rebates	4	1
Futures income	-	31
Total revenue	4,187	3,619

### 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,785	2,381
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	19	18
<b>Other expenses:</b>		
Audit fee	13	10
Total expenses	1,817	2,409

Expenses include irrecoverable VAT.

The estimated Deloitte LLP audit fee for the year, inclusive of VAT is £12,120 (30/04/21: £11,520).

**Notes to the Financial Statements**

(continued)

for the year ended 30th April 2022

**5. Taxation****(a) Analysis of charge in year:**

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Irrecoverable overseas tax	1	2
Total taxation (note 5b)	1	2

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue before taxation	2,369	1,207
Corporation tax of 20% (2021: 20%)	474	241
<b>Effects of:</b>		
Non-taxable UK dividends*	(719)	(610)
Overseas non-taxable revenue*	-	(6)
Irrecoverable overseas tax	1	2
Movement in excess management expenses	245	375
Total tax charge for year (note 5a)	1	2

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,488,554 (30/04/21: £3,243,554) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the sub-fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Final	2,336	1,172
Add: Revenue deducted on cancellation of shares	47	42
Deduct: Revenue received on creation of shares	(9)	(9)
Net distribution for the year	2,374	1,205

Details of the distributions per share are set out in the Distribution Tables on page 231.

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**7. Movement between net revenue and net distributions**

	<b>01/05/21 to 30/04/22 £000</b>	<b>01/05/20 to 30/04/21 £000</b>
Net revenue after taxation	2,368	1,205
Movement in net income as a result of conversions	6	-
Net distribution for the year	<u>2,374</u>	<u>1,205</u>

**8. Debtors**

	<b>30/04/22 £000</b>	<b>30/04/21 £000</b>
Amounts receivable for issue of shares	-	54
Accrued revenue	532	905
AMC rebates receivable	1	1
Income tax receivable	32	2
Total debtors	<u>565</u>	<u>962</u>

**9. Cash and bank balances**

	<b>30/04/22 £000</b>	<b>30/04/21 £000</b>
Cash and bank balances	145	219
Amounts held at futures clearing houses and brokers	310	385
Total cash and bank balances	<u>455</u>	<u>604</u>

**10. Other creditors**

	<b>30/04/22 £000</b>	<b>30/04/21 £000</b>
Amounts payable for cancellation of shares	136	187
Accrued expenses	149	224
Total other creditors	<u>285</u>	<u>411</u>





## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using derivatives, including forward currency contracts and futures. These contracts are shown in the portfolio statement.

As at 30th April 2022, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been an increase or decrease of approximately £35,889 (30/04/21: £21,547).

As at 30th April the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure 30/04/22 £000	Currency exposure 30/04/21 £000
Currency		
Canadian dollar	-	2,734
Euro	2,919	(2,788)
Japanese yen	-	39
US dollar	671	(2,140)
Total	3,590	(2,155)

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

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating a high level of income, whilst providing the potential for capital growth.

The sub-fund's net cash holding of £144,934 (30/04/21: cash £217,861) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £277,571 (30/04/21: £385,703), whose rates are based on SONIA or its international equivalent.

The sub-fund has no direct holdings in interest bearing securities, however the sub-fund has exposure to interest rate movements through holdings in collective investment schemes with underlying holdings in interest bearing securities. In general, if interest rates rise, the income potential of the sub-fund also rises, but the value of fixed rate securities and associated collective investment schemes will decline. As information on the underlying holdings is not readily available the ability to provide an informative interest rate sensitivity analysis is limited and therefore has not been presented.

The sub-fund did not have any long term financial liabilities.

**(c) Derivatives and other financial instruments**

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. As the sub-fund is not marketed as sophisticated, no sensitivity analysis is required.

Financial derivative instrument exposure - fair value	30/04/22 £000	30/04/21 £000
Exchange traded derivatives	336	195
Forward currency contracts	172	49
Total Financial derivative instrument exposure	508	244

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

## 14. Risk management policies, derivatives and other financial instruments (continued)

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	30/04/22	30/04/21
	£000	£000
Bank of America - Forward Currency contracts	101	-
Barclays Bank - Forward Currency contracts	2	-
Citibank - Forward Currency contracts	(15)	-
HSBC Bank - Forward Currency contracts	1	(4)
JPMorgan Chase Bank - Forward Currency contracts	4	-
JP Morgan Securities - Forward Currency contracts	-	4
Merrill Lynch - Forward Currency contracts	-	45
Merrill Lynch - Futures contracts	320	23
State Street Bank and Trust Company - Forward Currency contracts	0	(10)
Total counterparty exposure	<b>413</b>	<b>58</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

**Collateral**

	30/04/22	30/04/21
	£000	£000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	270	208
EUR Cash - Merrill Lynch	40	-
JPY Cash - Merrill Lynch	-	39
USD Cash - Merrill Lynch	(32)	138

No collateral was received in the current or prior year.

*(d) Liquidity risk*

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

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

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

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

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

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price risk, currency risk and interest rate movements. It represents the potential loss the sub-fund may suffer through holding market positions in financial instruments in the face of market movements.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Local, regional or global events, for example, war, acts of terrorism, the spread of infectious diseases, government policy or the health of the underlying economy could have a significant impact on the sub-fund and the market price of its investments.

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

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

## Notes to the Financial Statements

(continued)

for the year ended 30th April 2022

**14. Risk management policies, derivatives and other financial instruments (continued)**

As at 30th April 2022, if the price of investments held by the sub-funds increased or decreased by 5%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 5%; which for this sub-fund would equate to £8,637,531 (30/04/21: £8,608,581).

The outbreak of COVID-19 (Coronavirus) in early 2020 adversely impacted Global economies, creating increased volatility in financial markets. At the beginning of the Coronavirus outbreak the UK experienced significant volatility in market prices, however market liquidity remains relatively strong and so does the ability to trade in size across most asset classes.

*(f) Leverage*

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

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

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

The table below sets out the total amount of leverage employed by the sub-fund as at 30th April, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	30/04/22	30/04/21
	%	%
Gross leverage	112.12	109.71
Commitment leverage	105.51	108.56

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Collective Investment Schemes	20,525	89,200	29,827	99,167
<b>Total net trades in the year after transaction costs</b>	<b>20,525</b>	<b>89,200</b>	<b>29,827</b>	<b>99,167</b>

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

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Taxes and other expenses	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to non-equity investment instruments.

**Notes to the Financial Statements****(continued)**

for the year ended 30th April 2022

**15. Portfolio transaction costs (continued)****Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (30/04/21: 0.00%).

**16. Fair value**

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,819	(16)	195	(172)
Level 2	171,016	(68)	172,163	(14)
Level 3	-	-	-	-
Total fair value	172,835	(84)	172,358	(186)

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

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

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

## Progressive Growth Portfolio 2

### Distribution Tables

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for the year ended 30th April 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st May 2021

Group 2 Final Shares purchased on or between 1st May 2021 and 30th April 2022

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	4.0878	-	4.0878	1.8818
Group 2	(p)	(p)	(p)	(p)
Final	3.0447	1.0431	4.0878	1.8818

#### Share Class P - Accumulation\*

	Net revenue	Equalisation	Distribution payable to 30/06/2022	Distribution paid to 30/06/2021
Group 1	(p)	(p)	(p)	(p)
Final	-	-	-	1.3231
Group 2	(p)	(p)	(p)	(p)
Final	-	-	-	1.3231

\*Share Class P Accumulation was closed on 21st June 2021.

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

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

Final - 100.00% of the dividend is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## General Information

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### About OEICs

The Scottish Widows Managed Investment Funds ICVC (the “Company”) is an umbrella Open Ended Investment Company (“OEIC”). An OEIC is a collective investment vehicle with variable capital in which your sub-funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes Sourcebook (COLL Sourcebook).

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

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

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

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

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

### Shares

The Company currently offers seven share classes; Class A, Class G, Class I, Class P, Class T, Class V and Class X. Each share class has a different ACD fee.

### Prices and Dealing Times

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

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

### Liability

Shareholders are not liable for the debts of the Company.

### Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the Company is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the year ended 30th April 2022 (as noted on pages 2 to 5). Full terms and conditions are available from the ACD.

### Personal Taxation

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

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

### Queries

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



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