

SCOTTISH WIDOWS

official pensions and investment provider



Scottish Widows Overseas Growth Investment Funds ICVC

Interim Long Report
for the period ended
31 May 2010
(unaudited)

Scottish Widows Overseas Growth Investment Funds ICVC

The Company

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

Incorporated in Great Britain under registered number IC000164.
Authorised and regulated by the Financial Services Authority.

Authorised Corporate Director (ACD), Authorised Fund Manager and Registrar

Scottish Widows Unit Trust Managers Limited

Registered Office:

Charlton Place
Andover
SP10 1RE

Head Office:

15 Dalkeith Road
Edinburgh
EH16 5WL

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

Investment Adviser

Scottish Widows Investment Partnership Limited

Registered Office:

33 Old Broad Street
London
EC2N 1HZ

Business Address:

Edinburgh One
60 Morrison Street
Edinburgh
EH3 8BE

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

Depository

State Street Trustees Limited

Registered Office:

20 Churchill Place
Canary Wharf
London
E14 5HJ

Head Office:

525 Ferry Road
Edinburgh
EH5 2AW

Authorised and regulated by the Financial Services Authority.

Independent Auditors

PricewaterhouseCoopers LLP

Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

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*Collectively, these comprise the Authorised Corporate Director's Report. The Investment Review comprises the Authorised Fund Manager's Report, Performance Record, Portfolio Statement and Summary of Material Portfolio Changes for each sub-fund.

About the Company

Welcome to the Interim Long Report for the Scottish Widows Overseas Growth Investment Funds ICVC (the "Company") covering the period ended 31 May 2010 (the "Report"). The Authorised Corporate Director (the "ACD") and Authorised Fund Manager of the Company is Scottish Widows Unit Trust Managers Limited, a private company limited by shares which was incorporated in England and Wales on 19 April 1982. Its ultimate holding company is Lloyds Banking Group plc ("Lloyds"), which is incorporated in Scotland.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Great Britain under registration number IC000164 and is authorised and regulated by the Financial Services Authority (the "FSA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) ("the OEIC Regulations"), with effect from 14 March 2002.

Shareholders are not liable for the debts of the Company.

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

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 10 sub-funds, each with different investment objectives. The investment objective and policies and a review of the investment activities during the period are disclosed in the Financial Statements of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FSA and Depositary.

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

Each sub-fund will have a specific portfolio of securities to which that sub-fund's assets and liabilities are attributable. So far as investors are concerned each sub-fund will generally be treated as a separate entity. However, creditors of the Company may look to all assets of the Company for payment regardless of the sub-fund in respect of which that creditor's debt has arisen. Individual sub-funds are not "ring-fenced" and, in the event of a sub-fund being unable to meet its liabilities, assets may be re-allocated to and from other sub-funds if it is necessary to do so to satisfy any creditor proceeding against the Company. In the event that any assets are re-allocated, the ACD will advise shareholders in the next succeeding annual or interim report to shareholders.

The Financial Statements have been prepared on an aggregate basis including the 10 sub-funds in existence during the period covered by this Interim Long Report, as permitted by the OEIC Regulations and the COLL sourcebook.

As required by the OEIC Regulations and the COLL sourcebook, information for each of the 10 sub-funds has also been included.

The ACD has elected to issue a short report for the sub-funds.

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

During the period there have been a number of changes to the Company:

These changes are detailed in the section Prospectus changes on page 3.

About the Investment Adviser

Scottish Widows Investment Partnership Limited ("SWIP") is one of the largest asset management companies in the UK. In total, SWIP manages funds worth £139.2 billion (as at 31 May 2010) for a wide range of UK and international clients including individual investors, investment trusts, charities, financial institutions, corporate and local government pension funds. SWIP is owned by their parent company Lloyds Banking Group, one of the UK's leading financial services groups.

SWIP invests in all major asset classes – including domestic and overseas equities, property, bonds and cash. In addition, SWIP offers access to specialist areas such as multi-manager, smaller companies and socially responsible investment.

Under their own name and in partnership with local organisations, SWIP has a presence that stretches from the United States to the Far East and includes continental Europe. This international dimension heightens their awareness of global investment issues and enhances their ability to manage client relationships on a global basis.

In the worldwide markets in which SWIP invests, their international client base and the geographical spread of their business operations reflect the global nature of their business.

Prospectus changes

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

- The Prospectus was updated on 9 April 2010 to require statements to be issued to shareholders only annually rather than 6 monthly. Customers will be notified of this change through their next statement or in a separate mailing. Individual valuations will continue to be available online or on request.
- The "UK Taxation" section and other parts of the Prospectus have been updated to clarify the tax position.
- There has been an update to the list of "Other Eligible Securities Markets" in Appendix A of the Prospectus.
- The name of the ultimate holding company of the ACD has changed from Lloyds TSB Group plc to Lloyds Banking Group plc.
- The ACD may refuse to accept applications for subscriptions or switches of shares in a fund which it knows or in its absolute discretion considers to be associated with market timing activities.
- The Prospectus has been updated in line with FSA Rules in relation to suspension of dealings in the Company.
- We have clarified that the ACD may, in accordance with the FSA Rules, identify a point in time in advance of a valuation point ("a cut-off point") after which it will not accept instructions to sell or redeem Shares at that valuation point.
- We have clarified that currently transfer of title to Shares may not be effected on the authority of an electronic communication.

A copy of the Prospectus is available on request.

Report of the Authorised Corporate Director

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

N. Machray
Director
26 July 2010

Aggregated Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(16,087)		50,838
Revenue	27,656		31,487	
Expenses	(7,839)		(6,495)	
Finance costs: Interest	(2)		(3)	
Net revenue before taxation	19,815		24,989	
Taxation	(3,378)		(4,628)	
Net revenue after taxation		16,437		20,361
Total return before equalisation		350		71,199
Finance costs: Equalisation		(62)		82
Change in net assets attributable to shareholders from investment activities		288		71,281

Aggregated Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,557,330		1,244,875
Amounts receivable on creation of shares	24,089		55,591	
Less: Amounts payable on cancellation of shares	(60,886)		(62,217)	
		(36,797)		(6,626)
Dilution levy charged		103		154
Stamp duty reserve tax		(5)		(9)
Change in net assets attributable to shareholders from investment activities		288		71,281
Closing net assets attributable to shareholders		1,520,919		1,309,675

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Aggregated Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	<u>1,465,361</u>	<u>1,510,849</u>
Debtors	12,444	3,466
Cash and bank balances	<u>48,134</u>	<u>49,829</u>
Total other assets	<u>60,578</u>	<u>53,295</u>
Total assets	<u>1,525,939</u>	<u>1,564,144</u>
Liabilities		
Derivative liabilities	<u>(118)</u>	<u>-</u>
Creditors	(4,865)	(6,792)
Bank overdrafts	<u>(37)</u>	<u>(22)</u>
Total other liabilities	<u>(4,902)</u>	<u>(6,814)</u>
Total liabilities	<u>(5,020)</u>	<u>(6,814)</u>
Net assets attributable to shareholders	<u>1,520,919</u>	<u>1,557,330</u>

Notes to the Financial Statements

Accounting Policies

The aggregated financial statements represent the summation of the financial statements for each of the sub-funds. The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 November 2009. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in November 2008 (the IMA SORP 2008), and United Kingdom Generally Accepted Accounting Practice.

The presentation of these Financial Statements has been changed from the previous interim to comply with the requirements of the IMA SORP (2008).

Changes from the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the IMA in December 2005 include:

- Returns from capital property are now disclosed as net capital gains/(losses) and income property is disclosed as revenue;
- Transaction costs and currency gains/(losses) are now disclosed within net capital gains/(losses);
- Portfolio Turnover Rates are now included in the Performance Record; and
- There is no requirement for the Notes to the Financial Statements to be shown in interim reports.

Comparative figures have been restated where required in line with the new presentation requirements. There is no impact on the total return or the total assets of each sub-fund for either the current or prior period.

American Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily North American equities with the emphasis on the USA.

The Fund will invest in a diversified portfolio of predominantly North American equities which may also include convertible securities, preference shares, American depository receipts, other equity backed depository receipts and warrants.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
American Growth Fund A Accumulation	14.95	19.58	(16.91)	5.01	(6.14)	15.23
North America Sector Average Return	15.53	21.22	(20.96)	1.91	(2.08)	20.02
Standard and Poor's (S&P) 500 Index	13.24	17.24	(17.05)	3.05	0.49	19.79

Sources: Lipper for American Growth Fund and North America Sector Average Return (funds which invest at least 80% of their assets in North American equities).

Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the Standard and Poor's (S&P) 500 Index (GBP). Basis: Income reinvested and gross of expenses.

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

US stocks endured an early-year hangover, as investors took profits on 2009's gains. This was partly due to concerns over the worsening position in Greece and the prospect of tighter monetary policy in China. The S&P 500 index gained 0.4% in dollar terms over the six months. The Fund outperformed its benchmark.

During the reporting period, a \$940 billion healthcare bill was signed into law by President Obama, seeking to extend insurance to 32 million Americans without coverage. Analysis suggests it is not clear cut as to whether the healthcare reform will be positive or negative for the fiscal position.

The first quarter of 2010 also brought significant policy reform in the banking sector. Senate Democrats published a plan to overhaul financial markets. Firmly in their sights were Wall Street banks, with plans to rein in profits, demand that higher capital is set aside and intentions to clamp down on managers' pay.

In April, around 80% of the 173 companies in the S&P 500 index that reported results beat their earnings expectations. Some ground was lost in May, however, when all ten of the index's core sectors fell.

At individual asset level, Perrigo was a strong performer over the reporting period. The company is a global healthcare supplier which manufactures and distributes over-the-counter drugs. Its share price rose steadily over the six months receiving an extra boost in March when it purchased PBM, a baby-food maker, in a deal worth \$808 million.

Our holding in O'Reilly Automotive, the car parts retailer, also boosted returns. It performed well as investors responded to positive integration news surrounding its merger with CSK Auto.

In contrast, MDU Resources, a diversified natural resources company, had a negative effect on performance over the six months. MDU's share price suffered as investors sought out more economically sensitive stocks.

The outlook for the US economy is somewhat clouded. This is not a traditional economic cycle, making it difficult to assess what the months to come will bring. As managers, we remain vigilant for any potential changes to the economic picture which may catch the market unaware.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

American Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	51,133,736	9,921,683	515.37	1.63
Accumulation 30/11/08	37,428,512	8,547,483	437.89	1.63
Accumulation 30/11/09	40,950,498	7,986,183	512.77	1.64
Accumulation 31/05/10	44,862,616	7,611,883	589.38	1.63
Share Class B				
Accumulation 30/11/07	1,256,646	234,525	535.83	1.26
Accumulation 30/11/08	951,996	209,025	455.44	1.26
Accumulation 30/11/09	1,034,404	193,225	535.34	1.26
Accumulation 31/05/10	1,120,241	181,725	616.45	1.25
Share Class X				
Accumulation 30/11/07	18,091,809	3,236,452	559.00	0.13
Accumulation 30/11/08	15,843,159	3,290,052	481.55	0.13
Accumulation 30/11/09	22,584,224	3,945,252	572.44	0.13
Accumulation 31/05/10	23,250,851	3,507,852	662.82	0.13

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	15.91	55.41

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	532.70	434.80	-
Accumulation 2006	529.00	460.30	-
Accumulation 2007	547.40	485.90	0.3980
Accumulation 2008	537.40	392.70	1.6943
Accumulation 2009	548.40	375.10	1.8980
Accumulation 2010*	613.50	520.20	-
Share Class B			
Accumulation 2005	549.50	447.00	0.9574
Accumulation 2006	546.40	476.10	1.0667
Accumulation 2007	566.90	503.60	2.4842
Accumulation 2008	557.00	408.30	3.7283
Accumulation 2009	572.70	390.50	3.7766
Accumulation 2010*	641.60	543.40	-
Share Class X			
Accumulation 2005	560.50	452.90	6.7060
Accumulation 2006	559.50	489.40	7.0714
Accumulation 2007	593.50	521.70	8.8852
Accumulation 2008	584.40	407.40	9.8275
Accumulation 2009	615.00	414.20	9.7514
Accumulation 2010*	689.50	582.10	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

American Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (3.69%*)		2,265	3.26
Chemicals			
Air Products & Chemicals	5,210	253	0.37
Dow Chemical	12,740	245	0.35
Ecolab	5,209	170	0.25
PPG Industries	6,116	273	0.39
Praxair	3,266	177	0.26
Industrial Metals & Mining			
Alcoa	23,958	194	0.28
Nucor	6,793	204	0.29
Mining			
Agnico-Eagle Mines	2,773	112	0.16
Freeport-McMoRan Copper & Gold	5,996	292	0.42
Goldcorp	3,354	100	0.14
Newmont Mining	6,485	245	0.35
CONSUMER GOODS (10.93%*)		7,997	11.54
Automobiles & Parts			
Ford Motor	41,732	343	0.50
Goodyear Tire & Rubber	15,462	129	0.19
O'Reilly Automotive	13,556	472	0.68
Beverages			
Coca-Cola	25,122	884	1.28
PepsiCo	8,369	361	0.52
Food Producers			
Altria	28,594	403	0.58
Campbell Soup	10,932	270	0.39
ConAgra Foods	23,854	398	0.57
HJ Heinz	9,450	290	0.42
Kraft Foods	15,597	311	0.45
Monsanto	5,092	176	0.25
Sara Lee	30,848	301	0.43
Sysco	12,751	261	0.38
Household Goods & Home Construction			
Procter & Gamble	21,205	887	1.28
Leisure Goods			
Activision Blizzard	26,789	198	0.29
Personal Goods			
Alberto-Culver	11,305	215	0.31
Coach	4,452	128	0.18
Colgate-Palmolive	6,242	338	0.49
Kimberly-Clark	6,004	252	0.36
Nike	6,055	307	0.44
Polo Ralph Lauren	2,964	180	0.26
Tobacco			
Lorillard	6,144	308	0.44
Philip Morris	19,080	585	0.85

American Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
CONSUMER SERVICES (9.74%*)		6,870	9.93
Food & Drug Retailers			
CVS Caremark	15,384	365	0.53
Kroger	15,743	215	0.31
Walgreen	6,839	152	0.22
General Retailers			
Amazon	3,846	335	0.48
Bed Bath & Beyond	8,324	258	0.37
eBay	13,947	210	0.30
Home Depot	18,583	441	0.64
Lowe's	17,582	303	0.44
Staples	17,422	260	0.38
Target	8,623	327	0.47
Tiffany	3,225	104	0.15
Wal-Mart Stores	22,754	792	1.14
Media			
CBS	25,239	257	0.37
Comcast	30,220	380	0.55
Interpublic	39,651	234	0.34
News	39,515	366	0.53
Time Warner	12,416	264	0.38
Walt Disney	13,707	323	0.47
Travel & Leisure			
Carnival	12,019	303	0.44
McDonald's	7,058	326	0.47
Starwood Hotels & Resorts Worldwide	9,954	325	0.47
Yum! Brands	11,602	330	0.48
FINANCIALS (13.89%*)		11,423	16.50
Banks			
Bank of America	102,909	1,142	1.65
BB&T	15,532	331	0.48
Citigroup	216,738	597	0.86
JPMorgan Chase	38,997	1,082	1.56
PNC Financial Services	9,482	420	0.61
US Bancorp	23,096	387	0.56
Wells Fargo	53,705	1,084	1.57
Financial Services			
American Express	11,150	309	0.45
Bank of New York Mellon	15,088	290	0.42
Capital One Financial	7,526	218	0.31
CME	1,122	246	0.36
Equifax	4,713	99	0.14
Franklin Resources	3,483	239	0.35
Goldman Sachs	5,581	555	0.80
Mastercard	1,608	229	0.33
Morgan Stanley	17,744	337	0.49
State Street	8,123	218	0.31
Visa	4,877	247	0.36

American Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Life Insurance			
Aflac	6,166	194	0.28
Assurant	9,742	236	0.34
MetLife	11,268	320	0.46
Prudential Financial	8,187	332	0.48
Nonlife Insurance			
Allstate	12,858	272	0.39
Berkshire Hathaway	12,194	614	0.89
Chubb	3,610	126	0.18
Cincinnati Financial	13,959	261	0.38
Marsh & McLennan	13,570	203	0.29
Real Estate Investment Trusts			
Public Storage **	5,709	369	0.53
Simon Property **	7,853	466	0.67
HEALTHCARE (12.16%*)		7,414	10.71
Healthcare Equipment & Services			
Abbott Laboratories	16,045	527	0.76
Aetna	9,738	195	0.28
Baxter International	7,628	220	0.32
Cardinal Health	12,491	288	0.42
Express Scripts	3,767	263	0.38
Medtronic	11,734	317	0.46
Stryker	7,178	263	0.38
UnitedHealth	14,658	295	0.43
Varian Medical Systems	6,507	225	0.33
WellPoint	5,570	198	0.29
Pharmaceuticals & Biotechnology			
Amgen	10,574	373	0.54
Bristol-Myers Squibb	18,537	297	0.43
Celgene	6,260	230	0.33
Eli Lilly	7,097	160	0.23
Forest Laboratories	10,498	188	0.27
Gilead Sciences	9,569	238	0.34
Johnson & Johnson	28,567	1,157	1.67
Life Technologies	6,021	207	0.30
Merck	32,484	750	1.08
Perrigo	4,934	204	0.29
Pfizer	77,696	819	1.18
INDUSTRIALS (12.10%*)		8,061	11.64
Aerospace & Defence			
Boeing	8,112	363	0.52
General Dynamics	4,651	219	0.32
Goodrich	7,307	354	0.51
Honeywell International	9,176	274	0.40
Construction & Materials			
Masco	39,861	372	0.54
Quanta Services	11,826	169	0.24

American Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Electronic & Electrical Equipment			
3M	3,722	208	0.30
Eaton	8,547	414	0.60
Emerson Electric	9,974	324	0.47
Fastenal	7,451	263	0.38
United Technologies	10,959	512	0.74
General Industrials			
Fortune Brands	8,437	276	0.40
General Electric	107,188	1,226	1.77
Industrial Engineering			
Caterpillar	7,097	302	0.44
Cummins	2,688	128	0.18
Danaher	4,524	250	0.36
Deere	8,922	364	0.53
Thermo Fisher Scientific	7,794	282	0.41
Industrial Transportation			
CSX	7,363	266	0.38
JB Hunt Transport Services	8,149	195	0.28
United Parcel Service	10,070	439	0.63
Support Services			
Fiserv	7,577	250	0.36
Republic Services	14,636	294	0.42
Waste Management	14,145	317	0.46
OIL & GAS (11.66%*)		6,926	10.01
Oil & Gas Producers			
Anadarko Petroleum	3,538	135	0.20
Apache	4,262	269	0.39
Chesapeake Energy	15,492	236	0.34
Chevron	17,639	900	1.30
ConocoPhillips	15,734	564	0.81
Devon Energy	5,346	233	0.34
EOG Resources	3,638	266	0.38
Exxon Mobil	43,950	1,854	2.68
FMC Technologies	4,988	213	0.31
Marathon Oil	13,051	283	0.41
Nabors Industries	15,028	190	0.27
Occidental Petroleum	9,752	552	0.80
Range Resources	1,358	42	0.06
Southwestern Energy	7,098	182	0.26
XTO Energy	7,160	213	0.31
Oil Equipment, Services & Distribution			
Halliburton	14,114	261	0.38
Schlumberger	12,924	533	0.77

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
TECHNOLOGY (17.79%*)		11,716	16.94
Software & Computer Services			
Accenture	3,476	91	0.13
Citrix Systems	8,153	247	0.36
Computer Sciences	5,998	205	0.30
Cybersource	10,321	182	0.26
Google	2,374	799	1.15
International Business Machines	12,914	1,120	1.62
Microsoft	79,121	1,410	2.04
Oracle	39,508	612	0.88
Yahoo!	20,985	226	0.33
Technology Hardware & Equipment			
American Tower	7,739	218	0.31
Apple	9,035	1,572	2.27
Applied Materials	23,907	214	0.31
Cisco Systems	60,372	980	1.42
Dell	23,853	219	0.32
EMC	29,257	377	0.54
Hewlett-Packard	25,695	828	1.20
Intel	50,372	752	1.09
KLA-Tencor	18,404	395	0.57
Linear Technology	14,841	290	0.42
Motorola	39,282	186	0.27
Qualcomm	17,619	430	0.62
Texas Instruments	12,002	205	0.30
Xerox	24,372	158	0.23
TELECOMMUNICATIONS (2.50%*)		1,703	2.46
Fixed Line Telecommunications			
AT&T	58,206	984	1.42
Verizon Communications	23,751	450	0.65
Mobile Telecommunications			
Sprint Nextel	75,743	269	0.39
UTILITIES (3.26%*)		2,126	3.06
Electricity			
AES	25,816	181	0.26
CMS Energy	32,878	332	0.48
Exelon	5,795	155	0.22
PG&E	10,607	301	0.43
Progress Energy	14,925	396	0.57

American Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Gas, Water & Multiutilities			
MDU Resources	15,934	199	0.29
Nicor	10,495	292	0.42
Questar	8,766	270	0.39
DERIVATIVES (0.09%*)		(107)	(0.15)
Futures			
S&P Mini 500 Index Futures June 2010	2,750	(107)	(0.15)
Portfolio of investments[^]		66,394	95.90
Net other assets		2,840	4.10
Total net assets		69,234	100.00

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

Any derivative contracts were traded on an eligible derivatives exchange.

* Comparative figures shown in brackets relate to 30 November 2009.

** Real Estate Investment Trust (REIT).

[^] Including derivative liabilities.

American Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>8,636</u>	Total sales for the period	<u>13,529</u>
Major purchases		Major sales	
S&P Mini 500 Index Futures June 2010	2,135	S&P Mini 500 Index Futures December 2009	1,258
S&P Mini 500 Index Futures March 2010	916	S&P Mini 500 Index Futures March 2010	934
Berkshire Hathaway	700	Exxon Mobil	375
Visa	300	Hudson City Bancorp	278
Aflac	218	El du Pont de Nemours	241
O'Reilly Automotive	207	Total System Services	232
Citigroup	178	American Tower	223
Masco	178	Gap	218
Anadarko Petroleum	176	Burlington Northern Santa Fe	200
Altria	174	Amdocs	199
Walgreen	171	Wal-Mart Stores	195
Polo Ralph Lauren	171	IDEX	184
Lorillard	164	Microsoft	183
United Technologies	140	PepsiCo	181
Activision Blizzard	139	Pfizer	181
EMC	138	Textron	178
Bank of America	130	Procter & Gamble	176
Coach	117	Federated Investors	171
Cummins	112	International Business Machines	167
BB&T	110	HJ Heinz	164

American Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		9,435		(647)
Revenue	687		741	
Expenses	(375)		(316)	
Finance costs: Interest	-		(1)	
Net revenue before taxation	312		424	
Taxation	(99)		(107)	
Net revenue after taxation		213		317
Total return before equalisation		9,648		(330)
Finance costs: Equalisation		(11)		(3)
Change in net assets attributable to shareholders from investment activities		9,637		(333)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		64,569		54,224
Amounts receivable on creation of shares	551		848	
Less: Amounts payable on cancellation of shares	(5,542)		(2,364)	
		(4,991)		(1,516)
Dilution levy charged		19		10
Change in net assets attributable to shareholders from investment activities		9,637		(333)
Closing net assets attributable to shareholders		69,234		52,385

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

American Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	66,501	63,156
Debtors	126	118
Cash and bank balances	2,920	1,447
Total other assets	3,046	1,565
Total assets	69,547	64,721
Liabilities		
Derivative liabilities	(107)	-
Creditors	(206)	(152)
Total other liabilities	(206)	(152)
Total liabilities	(313)	(152)
Net assets attributable to shareholders	69,234	64,569

American Select Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a select portfolio of primarily North American equities with the emphasis on the USA.

The Fund will invest in a select portfolio of predominantly North American equities which may also include convertible securities, preference shares, American depository receipts, other equity backed depository receipts and warrants. The Fund will focus on a limited number of holdings (typically between 30 and 50).

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
American Select Growth Fund A Accumulation	15.60	10.25	(15.75)	10.33	(6.18)	16.64
North America Sector Average Return	15.53	21.22	(20.96)	1.91	(2.08)	20.02
Standard and Poor's (S&P) 500 Index	13.24	17.24	(17.05)	3.05	0.49	19.79

Sources: Lipper for American Select Growth Fund and North America Sector Average Return (funds which invest at least 80% of their assets in North American equities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the Standard and Poor's (S&P) 500 Index (GBP). Basis: Income reinvested and gross of expenses.

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

US stocks endured an early-year hangover, as investors took profits on 2009's gains. This was partly due to concerns over the worsening position in Greece and the prospect of tighter monetary policy in China. The S&P 500 index gained 0.4% in dollar terms over the six months. The Fund outperformed its benchmark.

During the reporting period, a \$940 billion healthcare bill was signed into law by President Obama, seeking to extend insurance to 32 million Americans without coverage. Analysis suggests it is not clear cut as to whether the healthcare reform will be positive or negative for the fiscal position.

The first quarter of 2010 also brought significant policy reform in the banking sector. Senate Democrats published a plan to overhaul financial markets. Firmly in their sights were Wall Street banks, with plans to rein in profits, demand that higher capital is set aside and intentions to clamp down on managers' pay.

In April, around 80% of the 173 companies in the S&P 500 index that reported results beat their earnings expectations. Some ground was lost in May, however, when all ten of the index's core sectors fell.

Over the six months, the portfolio benefited from having more exposure to the industrials and technology sectors than its benchmark. A comparative lack of exposure to the healthcare and utilities sectors was also beneficial to returns.

At individual asset level, Perrigo was the Fund's best-performing stock over the period. The company is a global healthcare supplier which manufactures and distributes over-the-counter drugs. Its share price rose steadily over the six months receiving an extra boost in March when it purchased PBM, a baby-food maker, in a deal worth \$808 million.

Our holding in O'Reilly Automotive, the car parts retailer, also boosted returns. It performed well as investors responded to positive integration news surrounding its merger with CSK Auto.

In contrast, our holding in Halliburton had a detrimental effect on performance over the six months. The company's share price suffered due to its contract to provide cementing services at the Deepwater Horizon well, the source of the oil spillage into the Gulf of Mexico. We have no long-term concerns over the stock, however, and continue to hold it in the portfolio as we believe the fall to be purely sentiment-driven.

Looking ahead, we believe that a sharp rise in essential capital expenditure is shielding the technology sector from the vagaries experienced by other economically sensitive areas of the market. With this in mind, we intend to retain the Fund's exposure to those stocks which will benefit most from this trend.

The outlook for the US economy is somewhat clouded. This is not a traditional economic cycle, making it difficult to assess what the months to come will bring. As managers, we remain vigilant for any potential changes to the economic picture which may catch the market unaware.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

American Select Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	1,891,573	414,659	456.18	2.02
Accumulation 30/11/08	1,689,225	434,359	388.90	2.03
Accumulation 30/11/09	1,723,273	407,259	423.14	2.04
Accumulation 31/05/10	1,960,655	400,859	489.11	2.03
Share Class X				
Accumulation 30/11/07	639,092	131,499	486.00	0.52
Accumulation 30/11/08	582,894	136,999	425.47	0.53
Accumulation 30/11/09	627,387	133,499	469.96	0.52
Accumulation 31/05/10	557,085	101,799	547.24	0.53

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	78.41	143.40

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(t) per share (p)
Share Class A			
Accumulation 2005	446.80	360.60	-
Accumulation 2006	444.00	388.20	-
Accumulation 2007	492.50	410.40	-
Accumulation 2008	487.70	351.10	-
Accumulation 2009	450.70	348.60	-
Accumulation 2010*	509.20	423.50	-
Share Class X			
Accumulation 2005	467.00	373.50	5.1166
Accumulation 2006	466.50	409.10	3.7012
Accumulation 2007	532.70	436.10	4.4452
Accumulation 2008	530.70	384.80	7.0295
Accumulation 2009	502.80	384.40	5.2067
Accumulation 2010*	569.40	471.50	-

(t) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

American Select Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (9.40%*)		98	3.89
Chemicals			
Ecolab	1,180	39	1.55
Mining			
Agnico-Eagle Mines	700	28	1.11
Goldcorp	1,050	31	1.23
CONSUMER GOODS (12.89%*)		374	14.85
Automobiles & Parts			
O'Reilly Automotive	1,762	61	2.42
Beverages			
Coca-Cola	1,843	65	2.58
Household Goods & Home Construction			
Tempur-Pedic International	1,960	45	1.79
Leisure Goods			
Activision Blizzard	4,320	32	1.27
Personal Goods			
Alberto-Culver	2,100	40	1.59
Colgate-Palmolive	646	35	1.39
Polo Ralph Lauren	936	57	2.26
Tobacco			
Lorillard	786	39	1.55
CONSUMER SERVICES (6.29%*)		170	6.76
General Retailers			
Wal-Mart Stores	1,430	50	1.99
Media			
Interpublic	5,400	32	1.27
Travel & Leisure			
Carnival	2,250	57	2.27
Cheesecake Factory	1,750	31	1.23
FINANCIALS (12.67%*)		341	13.54
Banks			
Bank of America	6,000	67	2.66
PNC Financial Services	2,405	106	4.21
US Bancorp	4,100	69	2.74
Wells Fargo	3,610	73	2.90
Financial Services			
Equifax	1,250	26	1.03
HEALTHCARE (11.44%*)		197	7.82
Healthcare Equipment & Service			
Baxter International	1,187	34	1.35
Pharmaceuticals & Biotechnology			
Johnson & Johnson	1,676	68	2.70
Perrigo	2,310	95	3.77
INDUSTRIALS (6.51%*)		356	14.13
Construction & Materials			
Quanta Services	1,790	26	1.03

American Select Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Electronic & Electrical Equipment			
Emerson Electric	2,949	96	3.81
Fastenal	858	30	1.19
Netlogic Microsystems	1,900	38	1.51
United Technologies	862	40	1.59
Industrial Engineering			
Cummins	1,265	60	2.38
Industrial Transportation			
JB Hunt Transport Services	2,760	66	2.62
OIL & GAS (12.47%*)		266	10.57
Oil & Gas Producers			
Apache	940	59	2.34
FMC Technologies	1,430	61	2.42
Occidental Petroleum	1,576	89	3.54
Oil Equipment, Services & Distribution			
Halliburton	3,100	57	2.27
TECHNOLOGY (24.63%*)		574	22.80
Software & Computer Services			
Accenture	2,050	54	2.15
Acme Packet	1,400	27	1.07
Citrix Systems	2,150	65	2.58
Cybersource	2,000	35	1.39
Microsoft	2,930	52	2.07
Technology Hardware & Equipment			
American Tower	2,229	63	2.50
Cisco Systems	5,064	82	3.26
Cypress Semiconductor	3,600	29	1.15
EMC	1,900	25	0.99
Hewlett-Packard	2,017	65	2.58
Skyworks Solutions	3,950	44	1.75
Xerox	5,107	33	1.31
TELECOMMUNICATIONS (0.00%*)		36	1.43
Fixed Line Telecommunications			
JDS Uniphase	4,600	36	1.43
UTILITIES (1.57%*)		18	0.72
Gas, Water & Multiutilities			
MDU Resources	1,400	18	0.72
Portfolio of investments		2,430	96.51
Net other assets		88	3.49
Total net assets		2,518	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

American Select Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>959</u>	Total sales for the period	<u>1,180</u>
Major purchases		Major sales	
US Bancorp	65	SPDR Trust Series 1 ETF #	100
PNC Financial Services	56	Air Products & Chemicals	76
Cummins	52	International Business Machines	66
Tempur-Pedic International	51	Microsoft	62
Polo Ralph Lauren	51	Pfizer	61
United Technologies	50	Bank of America	50
SPDR Trust Series 1 ETF #	48	Merck	47
Skyworks Solutions	48	Occidental Petroleum	46
Carnival	48	Chubb	41
Merck	46	Wells Fargo	41
Apache	38	Goldcorp	39
Netlogic Microsystems	38	HIS	36
Bank of America	37	Penske Auto	34
JDS Uniphase	36	Gap	32
CapitalSource	27	FMC Technologies	32
Fastenal	25	MedAssets	32
Equifax	25	HCC	31
Cypress Semiconductor	24	Amdocs	30
Wells Fargo	24	Johnson & Johnson	25
EMC	24	American Tower	25
# Exchange Traded Fund.			

American Select Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		363		(115)
Revenue	16		26	
Expenses	(20)		(19)	
Finance costs: Interest	-		-	
Net (expenses)/revenue before taxation	(4)		7	
Taxation	(2)		(4)	
Net (expenses)/revenue after taxation		(6)		3
Total return before equalisation		357		(112)
Finance costs: Equalisation		-		-
Change in net assets attributable to shareholders from investment activities		357		(112)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		2,351		2,272
Amounts receivable on creation of shares	20		77	
Less: Amounts payable on cancellation of shares	(211)		(168)	
		(191)		(91)
Dilution levy charged		1		1
Change in net assets attributable to shareholders from investment activities		357		(112)
Closing net assets attributable to shareholders		2,518		2,070

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

American Select Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	2,430	2,301
Debtors	3	77
Cash and bank balances	92	93
Total other assets	95	170
Total assets	2,525	2,471
Liabilities		
Creditors	(7)	(120)
Total liabilities	(7)	(120)
Net assets attributable to shareholders	2,518	2,351

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a select portfolio of primarily equities predominantly in Euroland (consisting of those countries which at any particular time are participating in European Economic and Monetary Union and/or are in the process of replacing or have replaced their national currencies with the Euro).

The Fund will invest in a select portfolio of shares and convertible securities and other investments in which a UCITS scheme equivalent to a securities scheme (see Note below) is authorised to invest. The distribution of investments will change from time to time in accordance with the ACD's view of the investment attractions of different stock markets from time to time. The Fund will focus on a limited number of holdings (typically between 30 and 50).

The ACD reserves the right to exercise the full power of the Fund in relation to borrowing and efficient portfolio management as and when it considers that the circumstances which then exist make it appropriate to do so.

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

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Euroland Fund A Accumulation	(8.37)	36.14	(32.57)	18.80	18.77	22.99
Europe (ex-UK) Sector Average Return	N/A	N/A	N/A	13.48	20.00	23.97
Equity EuroZone Sector Average Return *	(9.88)	33.34	(33.77)	N/A	N/A	N/A
FTSE Eurobloc Index	(9.26)	35.35	(35.65)	20.36	21.88	22.29

Sources: Lipper for Euroland Fund and Equity EuroZone Sector Average Return. Lipper for the Europe (ex-UK) Sector Average Return (funds which invest at least 80% of their assets in European equities and exclude UK securities). Basis: Mid to Mid, net income reinvested and net of expenses.

* The benchmark Sector was amended for the period ended 30/11/2008. The new benchmark is a more accurate representation of the average return achieved by funds with a similar investment mandate to Scottish Widows Euroland Fund.

Source: Rimes for the FTSE Eurobloc Index (GBP). Basis: Income reinvested and gross of expenses.

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

Fears of a sovereign debt default has been the dominant story of the last six months. Greece came under the spotlight after it revealed the perilous state of its public finances. The markets balked and equities sold off heavily. But EU member states acted: first, bailing out the heavily indebted Aegean republic, and then by launching a €750 billion loans package to defend the embattled euro. The cheer, however, was short-lived, with the downgrading of Portugal's and Spain's debt by ratings agencies prompting a return of risk aversion. The latter's banking sector is also teetering. Away from the debt crisis, though, the picture is a little more sanguine. Forward-looking economic indicators are encouraging, while companies are once again delivering solid profit numbers. Overall, the FTSE Europe ex-UK index was down 2.2% in local currency terms for the six months to end-May.

Turning to the portfolio, Fresenius Medical had a good review period. Shares in the German group rose in February after it reported a pronounced rise in fourth-quarter 2009 profits compared to the year before, with sales in North America particularly impressive. Since then, Fresenius has found its shares in demand, with cost-cutting measures, an increase in sales in the renal drug market and expansion of its clinic work expected to drive returns over 2010.

Meanwhile, a position in Daimler boosted the Fund's showing. The carmaker has made a bright start to the year, supported by a solid performance from its Mercedes-Benz Cars division. News that Daimler had reaffirmed its full-year guidance also pleased the market. Other positives were holdings in Vallourec, Essilor and Technip.

In contrast, a holding in France's Renault was a disappointment. The company's shares tumbled after it posted an annual loss of €3.1 billion in 2009 due to a sharp decrease in sales. On a more positive note, Renault did meet its target for "significantly positive free cash flow", which meant it continued to generate adequate funds to service its debt and manage operations. The Fund's lack of exposure to Dutch firms Ahold and Philips relative to the benchmark also hurt performance.

Authorised Fund Manager's Report

(continued)

Looking ahead, this is certainly a challenging period for the eurozone. The sovereign debt crisis will not go away overnight. So far, a number of countries – Germany, Spain, Greece and Italy – have initiated severe austerity packages aimed at tackling the problem. Markets are likely to remain cautious until concrete evidence emerges that these measures are working. Nonetheless, equities still represent good value, and through shrewd stock picking an investor can look forward to solid returns over 2010.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Euroland Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	4,780,309	2,735,395	174.76	1.74
Accumulation 30/11/08	3,075,285	2,622,795	117.25	1.73
Accumulation 30/11/09	4,103,600	2,555,495	160.58	1.75
Accumulation 31/05/10	3,426,126	2,330,995	146.98	1.70
Share Class X				
Accumulation 30/11/07	17,696,374	9,464,255	186.98	0.24
Accumulation 30/11/08	12,015,448	9,464,255	126.96	0.23
Accumulation 30/11/09	16,654,821	9,464,255	175.98	0.25
Accumulation 31/05/10	15,356,953	9,464,255	162.26	0.20

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	73.42	201.95

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	128.50	100.40	0.8199
Accumulation 2006	152.50	124.70	1.0966
Accumulation 2007	178.40	152.00	1.2775
Accumulation 2008	183.70	107.80	2.5896
Accumulation 2009	169.00	103.80	2.6622
Accumulation 2010*	170.80	140.30	-
Share Class X			
Accumulation 2005	134.40	104.10	2.3301
Accumulation 2006	161.80	131.10	2.8844
Accumulation 2007	191.10	161.70	3.4929
Accumulation 2008	197.30	117.00	4.8316
Accumulation 2009	185.50	113.10	4.6706
Accumulation 2010*	187.50	154.90	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Euroland Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
AUSTRIA (0.00%*)		321	1.71
Andritz	8,700	321	1.71
BELGIUM (2.77%*)		1,475	7.86
Anheuser-Busch InBev	20,671	691	3.68
Colruyt	3,000	471	2.51
Telenet	18,000	313	1.67
FINLAND (2.03%*)		415	2.21
Sampo	28,500	415	2.21
FRANCE (28.24%*)		5,397	28.74
AXA	44,666	513	2.73
BNP Paribas	15,581	625	3.33
Cie Generale d'Optique Essilor International	14,500	565	3.01
LVMH	5,000	368	1.96
Renault	10,827	267	1.42
Sanofi-Aventis	12,000	499	2.66
SCOR	18,000	238	1.27
Societe Generale	17,180	523	2.78
Technip	5,961	274	1.46
Total	21,016	683	3.64
Vallourec	3,132	402	2.14
Vinci	14,000	440	2.34
GERMANY (23.21%*)		4,291	22.85
BASF	14,970	552	2.94
Daimler	19,500	663	3.53
Deutsche Bank	11,000	460	2.45
Fresenius	12,500	425	2.26
Henkel	10,000	321	1.71
Hochtief	7,000	310	1.65
Rhoen Klinikum	22,000	343	1.83
SAP	15,927	469	2.50
Siemens	12,000	748	3.98
IRELAND (0.87%*)		291	1.55
Ryanair	105,000	291	1.55
ITALY (8.87%*)		2,496	13.28
Ansaldo STS	17,000	175	0.93
ENI	38,086	494	2.63
Hera	300,000	391	2.08
Prysmian	37,000	391	2.08
Saipem	11,000	241	1.28
Snam Rete Gas	100,000	277	1.47
UniCredito Italiano	359,125	527	2.81
LUXEMBOURG (4.34%*)		367	1.95
ArcelorMittal	17,268	367	1.95

Euroland Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
NETHERLANDS (11.94%*)		2,344	12.47
ASML	12,000	237	1.26
ING	83,000	458	2.44
Koninklijke DSM	10,000	277	1.47
Koninklijke KPN	42,265	380	2.02
Reed Elsevier	60,000	429	2.28
Unilever	30,000	563	3.00
PORTUGAL (0.97%*)		279	1.48
Galp Energia	27,000	279	1.48
SPAIN (12.36%*)		557	2.97
Banco Bilbao Vizcaya Argentaria	53,483	385	2.05
Grifols	22,336	172	0.92
Portfolio of investments		18,233	97.07
Net other assets		550	2.93
Total net assets		18,783	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>7,857</u>	Total sales for the period	<u>7,523</u>
Major purchases		Major sales	
Colruyt	486	Telefonica	797
Vinci	486	Banco Santander	746
Reed Elsevier	454	GDF Suez	573
Vallourec	452	Heineken	466
Prysmian	438	Koninklijke Ahold	382
Hera	431	Allianz	362
Henkel	348	Tenaris	328
Ryanair	346	Adidas	327
LVMH	337	Snam Rete Gas	303
Snam Rete Gas	335	Deutsche Telekom	302
Andritz	330	Cie de Saint-Gobain	276
Hochtief	320	HeidelbergCement	266
SCOR	302	Unibail-Rodamco**	228
Koninklijke DSM	292	Societe Generale	223
BNP Paribas	283	ArcelorMittal	219
ING	280	CRH	202
Anheuser-Busch InBev	268	Peugeot	188
Ansaldo STS	223	ASML	187
BASF	174	Siemens	159
Societe Generale	172	Banca Popolare di Milano	141

** Real Estate Investment Trust (REIT).

Euroland Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(1,927)		1,501
Revenue	398		528	
Expenses	(50)		(42)	
Finance costs: Interest	-		-	
Net revenue before taxation	<u>348</u>		<u>486</u>	
Taxation	<u>(49)</u>		<u>(98)</u>	
Net revenue after taxation		<u>299</u>		<u>388</u>
Total return before equalisation		(1,628)		1,889
Finance costs: Equalisation		(1)		-
Change in net assets attributable to shareholders from investment activities		<u>(1,629)</u>		<u>1,889</u>

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		20,758		15,091
Amounts receivable on creation of shares	63		40	
Less: Amounts payable on cancellation of shares	<u>(410)</u>		<u>(146)</u>	
		(347)		(106)
Dilution levy charged		1		-
Change in net assets attributable to shareholders from investment activities		<u>(1,629)</u>		<u>1,889</u>
Closing net assets attributable to shareholders		<u>18,783</u>		<u>16,874</u>

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Euroland Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	<u>18,233</u>	<u>19,845</u>
Debtors	268	48
Cash and bank balances	<u>492</u>	<u>949</u>
Total other assets	<u>760</u>	<u>997</u>
Total assets	<u>18,993</u>	<u>20,842</u>
Liabilities		
Creditors	<u>(210)</u>	<u>(84)</u>
Total liabilities	<u>(210)</u>	<u>(84)</u>
Net assets attributable to shareholders	<u><u>18,783</u></u>	<u><u>20,758</u></u>

European Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily Continental European equities.

The Fund will invest in a diversified portfolio of primarily Continental European equities which may also include warrants and convertibles listed on any recognised Continental European stock exchange. However, the Fund may invest in other types of investment at the discretion of the ACD.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
European Growth Fund A Accumulation	(7.04)	29.03	(32.66)	20.98	17.22	26.32
Europe (ex-UK) Sector Average Return	(4.04)	34.01	(33.35)	13.48	20.00	23.97
FTSE Europe (ex-UK) Index	(5.83)	36.47	(33.59)	18.19	20.82	23.81

Sources: Lipper for European Growth Fund and Europe (ex-UK) Sector Average Return (funds which invest at least 80% of their assets in European equities and exclude UK securities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the FTSE Europe (ex-UK) Index (GBP). Basis: Income reinvested and gross of expenses.

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

Fears of a sovereign debt default has been the dominant story of the last six months. Greece came under the spotlight after it revealed the perilous state of its public finances. The markets balked and equities sold off heavily. But EU member states acted: first, bailing out the heavily indebted Aegean republic, and then by launching a €750 billion loans package to defend the embattled euro. The cheer, however, was short-lived, with the downgrading of Portugal's and Spain's debt by ratings agencies prompting a return of risk aversion. The latter's banking sector is also teetering. Away from the debt crisis, though, the picture is a little more sanguine. Forward-looking economic indicators are encouraging, while companies are once again delivering solid profit numbers. Overall, the FTSE Europe ex-UK index was down 2.2% in local currency terms for the six months to end-May.

Turning to the portfolio, Technip had an excellent review period. The French oil & gas field services provider found its shares in demand after it delivered forecast-beating figures for the fourth quarter of 2009. With spending in the oil industry set to pick up on the back of the global economic recovery, the outlook for the company is bright. Further, as the world's reserves dwindle and oil becomes increasingly difficult to extract, demand for Technip's expertise and technical acumen will increase. We expect the number of contracts the firm is awarded -- which was impressive in 2009 -- to grow in 2010.

Elsewhere, a position in Anheuser-Busch Inbev also enhanced the Fund's showing. Despite a difficult trading environment, the world's largest brewer delivered better-than-expected profit numbers for the last three months of last year. The company attributed to good showing to cost-cutting measures and price hikes. News that the integration of Anheuser-Busch and Inbev was running ahead of plan, with an expected \$610 million in synergies for the first six months of 2010, also pleased the market. Vallourec and Essilor International were among the Fund's other positive contributors.

In contrast, French bank Societe Generale saw its shares plummet in January after it issued a profit warning. The lender said the disappointing showing was due to depreciation of assets and provisions related to risky assets. Despite the poor performance, Societe Generale said it remained confident about the outlook for 2010. We therefore continue to carry this stock. Elsewhere, a disappointing profits report for January to March of this year saw shares in Intesa Sanpaolo sell off. The Italian bank blamed lower net interest income and higher taxes for the poor showing. We consequently sold our shares in the lender.

Looking ahead, this is certainly challenging period for the eurozone. The sovereign debt crisis will not go a way over night. So far, a number of countries – Germany, Spain, Greece and Italy – have initiated severe austerity packages aimed at tackling the problem. Markets are likely to remain cautious until concrete evidence emerges that these measures are working. Nonetheless, equities still represent good value, and through shrewd stock picking an investor can look forward to solid returns over 2010.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

European Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	142,103,079	35,265,627	402.95	1.67
Accumulation 30/11/08	86,616,531	31,997,727	270.70	1.65
Accumulation 30/11/09	105,192,105	30,009,727	350.53	1.63
Accumulation 31/05/10	92,720,036	28,461,027	325.78	1.62
Share Class B				
Accumulation 30/11/07	3,901,552	951,332	410.11	1.29
Accumulation 30/11/08	2,478,246	897,432	276.15	1.28
Accumulation 30/11/09	2,872,038	800,932	358.59	1.25
Accumulation 31/05/10	2,547,265	762,932	333.88	1.25
Share Class X				
Accumulation 30/11/07	383,872,159	89,005,993	431.29	0.17
Accumulation 30/11/08	289,446,474	98,829,493	292.87	0.15
Accumulation 30/11/09	393,359,241	102,472,493	383.87	0.12
Accumulation 31/05/10	360,576,793	100,328,393	359.40	0.12

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	68.27	175.07

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	295.00	227.50	1.2529
Accumulation 2006	347.70	279.70	1.8930
Accumulation 2007	417.60	347.90	3.6994
Accumulation 2008	422.40	252.10	6.0479
Accumulation 2009	371.40	236.10	5.8244
Accumulation 2010*	377.70	312.00	-
Share Class B			
Accumulation 2005	298.30	229.30	2.0147
Accumulation 2006	352.60	283.20	2.8217
Accumulation 2007	424.50	352.90	5.2559
Accumulation 2008	429.60	257.10	7.2144
Accumulation 2009	379.80	241.00	6.9351
Accumulation 2010*	386.80	319.70	-
Share Class X			
Accumulation 2005	297.80	235.10	5.0208
Accumulation 2006	367.60	293.80	5.9299
Accumulation 2007	445.80	366.70	9.3293
Accumulation 2008	450.80	271.90	11.1844
Accumulation 2009	406.20	255.50	10.2931
Accumulation 2010*	415.60	344.20	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

European Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BELGIUM (2.78%*)		15,121	3.32
Anheuser-Busch InBev	452,473	15,121	3.32
FINLAND (1.60%*)		9,751	2.14
Nokia	347,513	2,468	0.54
Sampo	500,000	7,283	1.60
FRANCE (30.37%*)		112,762	24.74
Alstom	153,690	5,109	1.12
AXA	714,469	8,199	1.80
BNP Paribas	258,887	10,383	2.28
Cie Generale d'Optique Essilor International	318,831	12,422	2.72
LVMH	100,000	7,365	1.62
Renault	274,557	6,784	1.49
Sanofi-Aventis	291,908	12,136	2.66
Societe Generale	365,500	11,125	2.44
Technip	100,213	4,599	1.01
Total	519,632	16,877	3.70
Vallourec	76,000	9,756	2.14
Vinci	255,000	8,007	1.76
GERMANY (15.86%*)		89,305	19.59
BASF	273,000	10,049	2.20
Daimler	438,626	14,882	3.26
Deutsche Bank	250,000	10,443	2.29
Fresenius	217,021	7,377	1.62
Henkel	230,000	7,380	1.62
Hochtief	150,000	6,648	1.46
Rhoen Klinikum	400,000	6,240	1.37
SAP	315,452	9,280	2.04
Siemens	272,448	17,006	3.73
IRELAND (0.98%*)		5,017	1.10
CRH	315,945	5,017	1.10
ITALY (9.05%*)		40,146	8.81
Intesa Sanpaolo	4,291,538	7,896	1.73
Prysmian	742,236	7,841	1.72
Saipem	252,854	5,542	1.22
Snam Rete Gas	3,083,797	8,530	1.87
UniCredito Italiano	7,043,049	10,337	2.27
LUXEMBOURG (2.86%*)		10,213	2.24
ArcelorMittal	480,069	10,213	2.24
NETHERLANDS (7.11%*)		53,973	11.85
ASML	253,236	5,002	1.10
Fugro	148,245	5,415	1.19
ING	2,394,466	13,211	2.90
Koninklijke Ahold	1,000,000	8,657	1.90
Koninklijke DSM	250,000	6,925	1.52
Koninklijke KPN	1,044,663	9,398	2.06
Reed Elsevier	750,000	5,365	1.18
NORWAY (0.00%*)		7,033	1.54
DnB	1,000,000	7,033	1.54
PORTUGAL (0.00%*)		353	0.08
Galp Energia	34,213	353	0.08

European Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
SPAIN (8.60%*)		11,499	2.51
Banco Bilbao Vizcaya Argentaria	1,075,000	7,736	1.69
Grifols	487,846	3,763	0.82
SWEDEN (0.00%*)		5,635	1.24
Sandvik	700,000	5,635	1.24
SWITZERLAND (16.54%*)		76,513	16.78
Credit Suisse	299,512	8,051	1.77
Nestle	751,725	23,379	5.13
Novartis	450,000	13,862	3.04
Roche	111,460	10,459	2.29
Syngenta	70,651	10,995	2.41
Zurich Financial Services	69,890	9,767	2.14
Portfolio of investments		437,321	95.94
Net other assets		18,523	4.06
Total net assets		455,844	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

European Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>177,450</u>	Total sales for the period	<u>179,499</u>
Major purchases		Major sales	
Novartis	15,482	Banco Santander	15,670
Deutsche Bank	12,117	Telefonica	13,589
Vallourec	11,629	GDF Suez	13,168
Banco Bilbao Vizcaya Argentaria	10,992	Lafarge	9,521
Koninklijke Ahold	8,903	Adidas	8,548
Vinci	8,902	Cie De Saint Gobain	7,576
Prysmian	8,468	UBS	7,473
Henkel	8,115	HeidelbergCement	7,211
ING	7,944	Roche	7,163
Sampo	7,791	Saipem	7,033
Koninklijke DSM	7,298	Heineken	6,952
Sandvik	7,068	Unibail Rodamco**	6,196
DnB	6,863	BASF	6,163
Hochtief	6,843	Allianz	5,599
LVMH	6,732	Nokia	5,414
Rhoen Klinikum	6,222	Daimler	4,908
Reed Elsevier	5,744	Parmalat	4,854
BASF	4,884	Nestle	4,771
Nestle	4,877	Societe Generale	4,658
SAP	4,745	Renault	4,364

** Real Estate Investment Trust (REIT).

European Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(40,333)		21,712
Revenue	11,136		12,870	
Expenses	(1,080)		(893)	
Finance costs: Interest	-		-	
Net revenue before taxation	10,056		11,977	
Taxation	(1,473)		(2,410)	
Net revenue after taxation		8,583		9,567
Total return before equalisation		(31,750)		31,279
Finance costs: Equalisation		(62)		1
Change in net assets attributable to shareholders from investment activities		(31,812)		31,280

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		501,423		378,541
Amounts receivable on creation of shares	3,523		9,080	
Less: Amounts payable on cancellation of shares	(17,300)		(8,508)	
		(13,777)		572
Dilution levy charged		10		27
Change in net assets attributable to shareholders from investment activities		(31,812)		31,280
Closing net assets attributable to shareholders		455,844		410,420

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

European Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	437,321	480,096
Debtors	3,502	655
Cash and bank balances	16,528	23,017
Total other assets	20,030	23,672
Total assets	457,351	503,768
Liabilities		
Creditors	(1,507)	(2,345)
Total liabilities	(1,507)	(2,345)
Net assets attributable to shareholders	455,844	501,423

European Select Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a select portfolio of primarily Continental European equities.

The Fund will invest in a select portfolio of primarily Continental European securities which may include shares and convertible securities, however the Fund may invest in other types of investment at the discretion of the ACD. The Fund will focus on a limited number of holdings (typically between 30 and 50).

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
European Select Growth Fund A Accumulation	(7.73)	29.36	(34.22)	21.13	20.32	25.46
Europe (ex-UK) Sector Average Return	(4.04)	34.01	(33.35)	13.48	20.00	23.97
FTSE Europe (ex-UK) Index	(5.83)	36.47	(33.59)	18.19	20.82	23.81

Sources: Lipper for European Select Growth Fund and Europe (ex-UK) Sector Average Return (funds which invest at least 80% of their assets in European equities and exclude UK securities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the FTSE Europe (ex-UK) Index (GBP). Basis: Income reinvested and gross of expenses.

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

Fears of a sovereign debt default has been the dominant story of the last six months. Greece came under the spotlight after it revealed the perilous state of its public finances. The markets balked and equities sold off heavily. But EU member states acted: first, bailing out the heavily indebted Aegean republic, and then by launching a €750 billion loans package to defend the embattled euro. The cheer, however, was short-lived, with the downgrading of Portugal's and Spain's debt by ratings agencies prompting a return of risk aversion. The latter's banking sector is also teetering. Away from the debt crisis, though, the picture is a little more sanguine. Forward-looking economic indicators are encouraging, while companies are once again delivering solid profit numbers. Overall, the FTSE Europe ex-UK index was down 2.2% in local currency terms for the six months to end-May.

Turning to the portfolio, France's Vallourec performed well over the review period. The company manufactures seamless steel tubes, used primarily in the oil & gas, power generation and mechanical engineering sectors. The outlook for Vallourec looks promising, with renewed confidence from the major oil companies meaning that capital expenditure for oil exploration is once again on the rise.

Elsewhere, French contact lens maker Essilor International saw its shares in demand after reporting a 7.8% rise in revenue for the first quarter of 2010. The company attributed the solid performance to recent acquisitions, notably of FGX International in the US, and higher sales in emerging markets. Other positives included Sandvik and Zurich Financial.

In contrast, a holding Renault was a disappointment. The company's shares plunged after it posted an annual loss of €3.1 billion in 2009 due to a sharp decrease in sales. On a more positive note, Renault did meet its target for "significantly positive free cash flow", which meant it continued to generate adequate funds to service its debt and manage operations. Meanwhile, shares in Spanish biopharmaceuticals group Grifols tumbled in April after Baxter, its US peer, delivered quarterly earnings numbers that had investors fretting over the outlook for the blood plasma sector. Other detractors from performance were Novartis and the portfolio not holding Novo Nordisk.

Looking ahead, this is certainly challenging period for the eurozone. The sovereign debt crisis will not go a way over night. So far, a number of countries – Germany, Spain, Greece and Italy – have initiated severe austerity packages aimed at tackling the problem. Markets are likely to remain cautious until concrete evidence emerges that these measures are working. Nonetheless, equities still represent good value, and through shrewd stock picking an investor can look forward to solid returns over 2010.

Scottish Widows Investment Partnership Limited

June 2010

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European Select Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	351,617,139	21,181,873	1,659.99	1.73
Accumulation 30/11/08	211,441,952	19,369,433	1,091.63	1.67
Accumulation 30/11/09	256,989,935	18,176,563	1,413.85	1.63
Accumulation 31/05/10	227,421,345	17,442,563	1,303.83	1.63
Share Class X				
Accumulation 30/11/07	3,967,946	220,632	1,798.45	0.23
Accumulation 30/11/08	2,663,065	222,632	1,196.17	0.17
Accumulation 30/11/09	3,303,044	210,732	1,567.41	0.13
Accumulation 31/05/10	3,111,085	213,732	1,455.60	0.13

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	88.14	187.37

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	1,182.00	910.10	6.4252
Accumulation 2006	1,430.00	1,125.00	4.0405
Accumulation 2007	1,742.00	1,428.00	6.1447
Accumulation 2008	1,732.00	1,013.00	23.0651
Accumulation 2009	1,494.00	938.00	21.3839
Accumulation 2010*	1,512.00	1,243.00	-
Share Class X			
Accumulation 2005	1,247.00	942.20	19.7512
Accumulation 2006	1,534.00	1,194.00	21.3374
Accumulation 2007	1,883.00	1,533.00	32.0720
Accumulation 2008	1,883.00	1,113.00	45.3567
Accumulation 2009	1,658.00	1,035.00	39.4009
Accumulation 2010*	1,681.00	1,388.00	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

European Select Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BELGIUM (2.82%*)		7,977	3.46
Anheuser-Busch InBev	238,687	7,977	3.46
FINLAND (0.00%*)		3,642	1.58
Sampo	250,000	3,642	1.58
FRANCE (27.58%*)		57,674	25.03
Alstom	80,895	2,689	1.17
AXA	379,166	4,351	1.89
BNP Paribas	142,483	5,714	2.48
Cie Generale d'Optique Essilor International	155,000	6,039	2.62
LVMH	60,000	4,419	1.92
Renault	139,143	3,438	1.49
Sanofi-Aventis	159,613	6,636	2.88
Societe Generale	206,058	6,272	2.72
Total	264,561	8,592	3.73
Vallourec	38,728	4,971	2.16
Vinci	145,000	4,553	1.97
GERMANY (16.96%*)		42,577	18.46
BASF	138,041	5,081	2.20
Daimler	214,175	7,266	3.15
Deutsche Bank	130,000	5,430	2.36
Fresenius	118,658	4,033	1.75
Henkel	120,000	3,851	1.67
Hochtief	85,000	3,767	1.63
Rhoen Klinikum	250,000	3,900	1.69
Siemens	148,168	9,249	4.01
IRELAND (0.28%*)		3,534	1.53
Ryanair	1,275,000	3,534	1.53
ITALY (5.70%*)		20,287	8.79
Ansaldo	210,000	2,158	0.94
Intesa Sanpaolo	1,885,797	3,470	1.50
Prysmian	364,351	3,849	1.67
Saipem	130,900	2,869	1.24
Snam Rete Gas	1,200,000	3,319	1.44
UniCredito Italiano	3,149,015	4,622	2.00
LUXEMBOURG (5.17%*)		4,702	2.04
ArcelorMittal	221,007	4,702	2.04
NETHERLANDS (10.17%*)		27,796	12.06
ASML	146,925	2,902	1.26
Fugro	114,964	4,199	1.82
ING	1,136,112	6,268	2.72
Koninklijke Ahold	500,000	4,328	1.88
Koninklijke DSM	120,000	3,324	1.44
Koninklijke KPN	435,133	3,914	1.70
Reed Elsevier	400,000	2,861	1.24
NORWAY (0.00%*)		3,517	1.53
DnB	500,000	3,517	1.53
PORTUGAL (1.10%*)		2,635	1.14
Galp Energia	255,121	2,635	1.14
SPAIN (9.70%*)		5,967	2.59
Banco Bilbao Vizcaya Argentaria	550,000	3,958	1.72
Grifols	260,490	2,009	0.87

European Select Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
SWEDEN (0.00%*)		2,818	1.22
Sandvik	350,000	2,818	1.22
SWITZERLAND (17.52%*)		40,275	17.48
Credit Suisse	148,255	3,985	1.73
Nestle	392,287	12,201	5.29
Novartis	225,000	6,931	3.01
Petroplus	350,000	3,551	1.54
Syngenta	36,098	5,618	2.44
Temenos	150,000	2,440	1.06
Zurich Financial Services	39,710	5,549	2.41
Portfolio of investments		223,401	96.91
Net other assets		7,131	3.09
Total net assets		230,532	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

European Select Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>113,757</u>	Total sales for the period	<u>120,555</u>
Major purchases		Major sales	
Novartis	7,741	Roche	9,854
Deutsche Bank	6,304	Telefonica	9,072
Cie Generale d'Optique Essilor International	5,867	Banco Santander	8,454
Vallourec	5,818	GDF Suez	7,035
Banco Bilbao Vizcaya Argentaria	5,678	Tenaris	6,262
Vinci	5,090	Lafarge	5,191
ING	4,742	Cie de Saint-Gobain	5,187
Koninklijke Ahold	4,451	HeidelbergCement	5,115
Rhoen Klinikum	4,280	SAP	4,822
Henkel	4,234	Adidas	4,522
Ryanair	4,199	UBS	3,942
Prysmian	4,194	Daimler	3,817
LVMH	4,039	Heineken	3,739
Siemens	4,037	BASF	3,431
Snam Rete Gas	4,023	Allianz	2,986
Sampo	3,895	ASML	2,803
Hochtief	3,878	Koninklijke Boskalis Westminster	2,768
Petroplus	3,876	ArcelorMittal	2,699
Sandvik	3,534	Nestle	2,683
Koninklijke DSM	3,503	Credit Suisse	2,571

European Select Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(22,374)		11,253
Revenue	5,776		6,601	
Expenses	(2,025)		(1,708)	
Finance costs: Interest	-		-	
Net revenue before taxation	3,751		4,893	
Taxation	(765)		(785)	
Net revenue after taxation		2,986		4,108
Total return before equalisation		(19,388)		15,361
Finance costs: Equalisation		(16)		(14)
Change in net assets attributable to shareholders from investment activities		(19,404)		15,347

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		260,293		214,105
Amounts receivable on creation of shares	774		903	
Less: Amounts payable on cancellation of shares	(11,161)		(7,699)	
		(10,387)		(6,796)
Dilution levy charged		30		23
Change in net assets attributable to shareholders from investment activities		(19,404)		15,347
Closing net assets attributable to shareholders		230,532		222,679

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

European Select Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	<u>223,401</u>	<u>252,474</u>
Debtors	1,847	342
Cash and bank balances	<u>5,875</u>	<u>8,589</u>
Total other assets	<u>7,722</u>	<u>8,931</u>
Total assets	<u>231,123</u>	<u>261,405</u>
Liabilities		
Creditors	<u>(591)</u>	<u>(1,112)</u>
Total liabilities	<u>(591)</u>	<u>(1,112)</u>
Net assets attributable to shareholders	<u><u>230,532</u></u>	<u><u>260,293</u></u>

Global Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily equities worldwide, including the UK.

The Fund will invest in a diversified portfolio of global securities which shall be predominantly equities and may include preference shares, American depository receipts, global and other equity backed depository receipts and warrants in any geographic area and any economic sector.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Global Growth Fund A Accumulation	4.92	20.30	(23.14)	1.84	1.67	17.50
Global Growth Sector Average Return	7.00	28.10	(28.68)	8.89	8.55	23.01
MSCI World Index	7.67	24.01	(23.55)	8.34	6.33	23.45

Sources: Lipper for Global Growth Fund and Global Growth Sector Average Return (funds which invest at least 80% of their assets in equities (but not more than 80% in UK assets) and which have the prime objective of achieving growth of capital). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the MSCI World Index (GBP). Basis: Income reinvested and gross of expenses.

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

The revival in global equity and financial markets, apparent for much of the early part of 2010, hit the buffers in May. Concerns over the strength and sustainability of economic recovery have never been far from the surface and fears surrounding the Greek debt crisis have prompted a flight to safety, with investors retreating from equities to the comparative safety of "core" government bond markets. The Fund underperformed its benchmark over the six months.

Away from the debt crisis, recent economic news offered some much-needed cheer. The highly influential Organization for Economic Co-operation and Development (OECD) increased its 2010 GDP forecast for the eurozone from 0.9% to 1.2%. It also raised its growth estimate for the following year to 1.8%. The OECD said the rebound was being driven by economic stimulus measures and the resurgence of world trade.

US equity markets made strong gains for much of the reporting period; in April, around 80% of the 173 companies in the S&P 500 index that reported results beat their earnings expectations. A considerable amount of ground was lost in May, however, when all ten of the index's core sectors fell. In Japan, equity markets managed a gain over the six months – the Topix index was up 5.7% in yen terms. Other Asian equities were not so fortunate, as the region experienced its worst declines in May since October 2008. The MSCI Asia Pacific (ex Japan) index was down 1.6% in local currency terms over the reporting period.

Over the six months, we began the process of concentrating the portfolio by reducing the number of companies that it invests in. Unfortunately, stock selection in the US had a detrimental effect on returns over the period. This was partly due to the Fund's exposure to a number of large cap "defensive" stocks – i.e. those which have the capability to generate modest returns, even when the investment environment is difficult. These companies struggled to keep up in the first half of the reporting period, as investors showed their preference for riskier assets.

In the information technology sector, the Fund profited from its holding in Apple. The company's gross sales have grown strongly on the back of its innovative products, such as the iPhone and iPad.

In February, we purchased a holding in Reed Elsevier, the broad-based publishing and information services company. It typically produces better operating results in the later stages of the business cycle. We believe that the fact that corporate profits may be sluggish for a year or so is more than adequately discounted in the company's valuation.

We also bought Esprit, the fashion retailer. Around 80% of the company's sales are from Europe, but the bulk of these are in the northern area, where we expect to see measures designed to stimulate domestic demand. The recent pullback in Esprit's share price related to worries about the European growth outlook. However, we believe this offers a good entry point to realise the stock's long-term value – which is not currently reflected in the company's valuation.

Authorised Fund Manager's Report

(continued)

Looking ahead, we intend to place a lot of emphasis on careful stock selection. One focal point is identifying those companies with the best opportunities for strong sales growth. For example, a sharp rise in essential capital expenditure may shield the technology sector from the vagaries experienced by other economically sensitive areas of the market. We will also continue to invest in those defensive larger companies which currently have cheap valuations, relatively stable business models and the ability to cut costs.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Global Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	414,614,277	530,486,276	78.16	1.65
Accumulation 30/11/08	309,395,145	507,544,776	60.96	1.62
Accumulation 30/11/09	350,174,524	486,970,776	71.91	1.63
Accumulation 31/05/10	357,059,525	470,869,776	75.83	1.63
Share Class B				
Accumulation 30/11/07	7,825,357	9,884,965	79.16	1.40
Accumulation 30/11/08	5,578,224	9,010,965	61.90	1.37
Accumulation 30/11/09	6,076,257	8,300,065	73.21	1.38
Accumulation 31/05/10	5,960,543	7,711,565	77.29	1.38
Share Class X				
Accumulation 30/11/07	76,271,343	90,331,364	84.44	0.15
Accumulation 30/11/08	75,387,173	113,078,364	66.67	0.12
Accumulation 30/11/09	108,536,705	136,116,164	79.74	0.12
Accumulation 31/05/10	119,528,883	141,109,164	84.71	0.13

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	157.51	35.78

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	77.43	62.27	0.2160
Accumulation 2006	82.03	70.40	0.3019
Accumulation 2007	82.83	74.22	0.5908
Accumulation 2008	81.33	55.45	0.9081
Accumulation 2009	76.24	51.67	0.6708
Accumulation 2010*	81.91	71.62	-
Share Class B			
Accumulation 2005	78.05	62.66	0.3873
Accumulation 2006	82.75	71.04	0.4991
Accumulation 2007	83.88	75.13	0.7953
Accumulation 2008	82.48	56.30	1.1066
Accumulation 2009	77.63	52.51	0.8449
Accumulation 2010*	83.47	72.95	-
Share Class X			
Accumulation 2005	81.57	64.94	1.2899
Accumulation 2006	86.76	74.66	1.5272
Accumulation 2007	89.31	79.87	1.6293
Accumulation 2008	88.38	60.60	1.9717
Accumulation 2009	84.65	56.74	1.7182
Accumulation 2010*	91.34	79.62	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Global Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
AUSTRALIA (3.43%*)		5,411	1.12
Commonwealth Bank of Australia	177,664	5,411	1.12
BELGIUM (0.00%*)		4,440	0.92
Anheuser-Busch InBev	132,850	4,440	0.92
BERMUDA (0.17%*)		1,543	0.32
Esprit	400,000	1,543	0.32
BRAZIL (0.00%*)		4,991	1.03
Hypermarcas	536,000	4,991	1.03
CANADA (4.85%*)		6,489	1.35
Cameco	173,705	2,931	0.61
Ultra Petroleum	114,839	3,558	0.74
CHINA (0.77%*)		-	-
DENMARK (0.38%*)		-	-
FINLAND (0.27%*)		-	-
FRANCE (4.84%*)		20,730	4.29
Cie de St-Gobain	95,324	2,552	0.53
France Telecom	408,378	5,405	1.12
GDF Suez	248,442	5,385	1.11
Pernod-Ricard	579	30	0.01
Total	226,547	7,358	1.52
GERMANY (2.13%*)		14,726	3.05
E.ON	218,698	4,573	0.95
Fresenius	134,414	4,575	0.95
SAP	189,410	5,578	1.15
GREECE (0.13%*)		-	-
HONG KONG (0.79%*)		3,429	0.71
Hutchison Whampoa	791,407	3,429	0.71
IRELAND (5.17%*)		14,873	3.09
Covidien	113,197	3,306	0.69
iShares MSCI World ETF #	726,584	11,567	2.40
ISRAEL (0.00%*)		6,354	1.32
Teva Pharmaceutical Industries ADR	166,276	6,354	1.32
ITALY (0.94%*)		-	-
JAPAN (8.25%*)		44,271	9.17
Canon	248,900	6,984	1.45
FamilyMart	178,000	3,921	0.81
Fuji Media	2,708	2,659	0.55
Hitachi Construction Machinery	234,000	3,265	0.68
Kao	390,000	5,693	1.18
KDDI	1,700	5,313	1.10
Mitsubishi Estate	362,000	3,827	0.79
Mitsui	602,000	5,970	1.24
Nomura	1,561,400	6,639	1.37
LUXEMBOURG (2.33%*)		3,683	0.76
Tenaris ADR	138,487	3,683	0.76
MALAYSIA (0.00%*)		5,028	1.04
Genting	3,598,000	5,028	1.04

Global Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
MEXICO (0.00%*)		9,653	2.00
Cemex SAB de CV ADR	1,255,495	9,653	2.00
NETHERLANDS (2.09%*)		9,155	1.90
Koninklijke KPN	406,311	3,655	0.76
Reed Elsevier	768,862	5,500	1.14
NORWAY (0.28%*)		-	-
PANAMA (0.00%*)		4,191	0.87
Carnival	166,000	4,191	0.87
PORTUGAL (0.15%*)		-	-
SINGAPORE (0.00%*)		8,548	1.77
DBS	1,266,000	8,548	1.77
SOUTH KOREA (0.49%*)		11,208	2.32
KB Financial ADR	23,275	648	0.13
NHN	34,800	3,460	0.72
Samsung Electronics GDR	32,369	7,100	1.47
SPAIN (2.43%*)		3,569	0.74
Repsol	250,857	3,569	0.74
SWEDEN (1.47%*)		-	-
SWITZERLAND (4.44%*)		27,155	5.63
Nestle	189,792	5,903	1.22
Roche	55,360	5,195	1.08
Syngenta	39,241	6,107	1.27
UBS	344,699	3,200	0.66
Zurich Financial Services	48,302	6,750	1.40
UNITED KINGDOM (9.94%*)		48,388	10.03
BP	1,477,665	7,696	1.59
GlaxoSmithKline	768,392	8,733	1.81
HSBC	950,082	6,025	1.25
Imperial Tobacco	440,000	7,850	1.63
Rio Tinto	140,566	4,482	0.93
Thomas Cook	1,973,588	4,062	0.84
Vodafone	6,986,303	9,540	1.98

Global Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
UNITED STATES (42.19%*)		210,485	43.62
Amphenol	121,971	3,598	0.74
ANSYS	134,400	4,119	0.85
Apple	46,491	8,090	1.68
Avon Products	202,174	3,754	0.78
Bank of America	823,884	9,145	1.90
Becton Dickinson	70,345	3,487	0.72
Broadcom	176,786	4,168	0.86
CenterPoint Energy	397,887	3,693	0.77
Cisco Systems	476,359	7,734	1.60
ConocoPhillips	174,257	6,244	1.29
Equifax	243,639	5,118	1.06
Exxon Mobil	198,744	8,384	1.74
Genuine Parts	245,523	6,897	1.43
Google	15,819	5,326	1.10
Halliburton	187,000	3,463	0.72
Hewlett-Packard	224,233	7,224	1.50
JDS Uniphase	215,000	1,700	0.35
Johnson & Johnson	203,468	8,238	1.71
Kohl's	100,156	3,474	0.72
Lazard	245,000	5,537	1.15
Lorillard	68,378	3,424	0.71
Marsh & McLennan	408,007	6,114	1.27
Masco	653,125	6,089	1.26
MDU Resources	250,018	3,127	0.65
Microsoft	501,827	8,943	1.85
Norfolk Southern	231,052	8,997	1.86
Occidental Petroleum	134,710	7,623	1.58
Parker Hannifin	133,999	5,768	1.19
Pfizer	599,608	6,322	1.31
Southern	279,117	6,308	1.31
State Street	172,591	4,636	0.96
Virgin Media	327,334	3,652	0.76
Walgreen	149,400	3,316	0.69
Wal-Mart Stores	201,335	7,006	1.45
Wells Fargo	503,544	10,166	2.11
Western Union	397,750	4,440	0.92
WW Grainger	72,792	5,161	1.07
Portfolio of investments		468,320	97.05
Net other assets		14,229	2.95
Total net assets		482,549	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

Stocks shown as ADR's and GDR's represent American Depositary Receipts and Global Depositary Receipts.

Exchange Traded Fund.

Global Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>392,179</u>	Total sales for the period	<u>403,507</u>
Major purchases		Major sales	
Imperial Tobacco	9,417	iShares MSCI World ETF #	11,954
Cemex SAB de CV ADR	8,635	Japan Tobacco	9,106
Norfolk Southern	8,241	db x-trackers - MSCI WORLD TRN Index ETF #	7,343
DBS	8,165	Toyota Motor	5,714
Japan Tobacco	7,615	Brunswick	5,328
GlaxoSmithKline	7,560	Goldcorp	5,124
Mitsui	7,326	Cookson	4,828
Cisco Systems	7,218	Chubb	4,603
BP	7,095	International Business Machines	4,442
Vodafone	6,807	Goldman Sachs	4,245
Samsung Electronics GDR	6,607	FMC Technologies	4,078
Nomura	6,188	CBS	3,825
Pfizer	5,962	JPMorgan Chase	3,647
Reed Elsevier	5,905	Procter & Gamble	3,565
Zurich Financial Services	5,855	Sun Hung Kai Properties	3,550
Lazard	5,722	Cisco Systems	3,518
KDDI	5,627	Chevron	3,513
Total	5,626	Range Resources	3,450
France Telecom	5,506	General Electric	3,437
Genuine Parts	5,457	AT&T	3,368

Stocks shown as ADR's and GDR's represent American Depository Receipts and Global Depository Receipts.

Exchange Traded Fund.

Global Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains		24,111		3,977
Revenue	6,322		7,318	
Expenses	(3,032)		(2,531)	
Finance costs: Interest	(1)		-	
Net revenue before taxation	3,289		4,787	
Taxation	(694)		(798)	
Net revenue after taxation		2,595		3,989
Total return before equalisation		26,706		7,966
Finance costs: Equalisation		19		28
Change in net assets attributable to shareholders from investment activities		26,725		7,994

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		464,788		390,361
Amounts receivable on creation of shares	12,722		27,242	
Less: Amounts payable on cancellation of shares	(21,681)		(32,456)	
		(8,959)		(5,214)
Stamp duty reserve tax		(5)		(8)
Change in net assets attributable to shareholders from investment activities		26,725		7,994
Closing net assets attributable to shareholders		482,549		393,133

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Global Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	468,320	455,155
Debtors	3,922	1,270
Cash and bank balances	11,040	9,216
Total other assets	14,962	10,486
Total assets	483,282	465,641
Liabilities		
Creditors	(708)	(831)
Bank overdrafts	(25)	(22)
Total liabilities	(733)	(853)
Net assets attributable to shareholders	482,549	464,788

Global Select Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a select portfolio of primarily equities worldwide, including the UK.

The Fund will invest in a select portfolio of global securities which shall be predominantly equities and may include preference shares, American depository receipts, global and other equity backed depository receipts and warrants in any geographic area and any economic sector. The Fund will focus on a limited number of holdings (typically between 50 and 90).

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Global Select Growth Fund A Accumulation	4.07	20.71	(23.65)	6.86	6.24	16.69
Global Growth Sector Average Return	7.00	28.10	(28.68)	8.89	8.55	23.01
MSCI World Index	7.67	24.01	(23.55)	8.34	6.33	23.45

Sources: Lipper for Global Select Growth Fund and Global Growth Sector Average Return (funds which invest at least 80% of their assets in equities (but not more than 80% in UK assets) and which have the prime objective of achieving growth of capital). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the MSCI World Index (GBP). Basis: Income reinvested and gross of expenses.

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

The revival in global equity and financial markets, apparent for much of the early part of 2010, hit the buffers in May. Concerns over the strength and sustainability of economic recovery have never been far from the surface and fears surrounding the Greek debt crisis have prompted a flight to safety, with investors retreating from equities to the comparative safety of "core" government bond markets. The Fund underperformed its benchmark over the six months.

Away from the debt crisis, recent economic news offered some much-needed cheer. The highly influential Organization for Economic Co-operation and Development (OECD) increased its 2010 GDP forecast for the eurozone from 0.9% to 1.2%. It also raised its growth estimate for the following year to 1.8%. The OECD said the rebound was being driven by economic stimulus measures and the resurgence of world trade.

US equity markets made strong gains for much of the reporting period; in April, around 80% of the 173 companies in the S&P 500 index that reported results beat their earnings expectations. A considerable amount of ground was lost in May, however, when all ten of the index's core sectors fell. In Japan, equity markets managed a gain over the six months – the Topix index was up 5.7% in yen terms. Other Asian equities were not so fortunate, as the region experienced its worst declines in May since October 2008. The MSCI Asia Pacific (ex Japan) index was down 1.6% in local currency terms over the reporting period.

The Fund profited from its relative lack of exposure (when compared to the benchmark) to European financial companies, which experienced sharp declines as the sovereign debt crisis wore on. Outside of the financial sector, however, another of our European holdings had a negative effect on performance. KPN, the Dutch telecommunications company, suffered a steep decline in its share price, after its competitors snapped up the most popular frequency bands in a German mobile spectrum auction that ended in May.

During the reporting period, we added to our holding in Carnival, the world's largest cruise group. Carnival was a strong performer over the six months, benefiting from a general improvement in sentiment. Bookings increased to accommodate pent-up demand, as holidaymakers rushed to sign up for the cruises they put off last year.

Recently, risks to the continuation of global economic recovery have heightened. Investors' fears have been reawakened by the problems in Greece and some other European countries, and by the prospect of tightening monetary policy in China. We believe, however, that these issues are beginning to be factored into share prices, leaving some valuations looking attractive. This allows us to use our bottom-up stock picking skills to their best advantage.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Global Select Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	106,252,823	24,077,300	441.30	1.63
Accumulation 30/11/08	81,083,649	23,848,900	339.99	1.63
Accumulation 30/11/09	96,067,536	23,793,200	403.76	1.63
Accumulation 31/05/10	102,114,610	24,198,500	421.99	1.62
Share Class B				
Accumulation 30/11/07	15,352,090	3,436,182	446.78	1.38
Accumulation 30/11/08	10,817,111	3,134,882	345.06	1.38
Accumulation 30/11/09	12,209,509	2,971,382	410.90	1.37
Accumulation 31/05/10	12,150,632	2,825,882	429.98	1.37
Share Class X				
Accumulation 30/11/07	37,270,117	7,846,539	474.99	0.13
Accumulation 30/11/08	37,559,751	10,130,739	370.75	0.13
Accumulation 30/11/09	52,889,863	11,850,139	446.32	0.12
Accumulation 31/05/10	58,484,388	12,445,839	469.91	0.12

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	182.57	137.69

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	399.20	327.70	2.6177
Accumulation 2006	430.40	373.30	2.4409
Accumulation 2007	463.50	410.40	2.7565
Accumulation 2008	466.70	312.00	3.3210
Accumulation 2009	428.80	300.60	3.4470
Accumulation 2010*	454.90	405.90	-
Share Class B			
Accumulation 2005	402.20	329.60	3.4539
Accumulation 2006	434.60	376.50	3.3866
Accumulation 2007	469.10	415.00	4.0220
Accumulation 2008	472.80	316.50	4.5682
Accumulation 2009	436.50	305.30	4.4949
Accumulation 2010*	463.40	413.20	-
Share Class X			
Accumulation 2005	419.20	341.10	7.5988
Accumulation 2006	457.80	394.20	8.0586
Accumulation 2007	499.40	440.10	8.9769
Accumulation 2008	505.50	339.80	9.4515
Accumulation 2009	474.60	329.10	9.1967
Accumulation 2010*	505.90	450.00	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Global Select Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BERMUDA (0.76%*)		834	0.48
Esprit	216,300	834	0.48
BRAZIL (0.00%*)		3,224	1.87
Cia Energetica de Sao Paulo	390,000	3,224	1.87
CANADA (1.53%*)		5,109	2.96
Goldcorp	171,636	5,109	2.96
CHINA (1.74%*)		4,235	2.45
China Railway Construction	5,160,500	4,235	2.45
FINLAND (0.00%*)		3,059	1.77
Sampo	210,000	3,059	1.77
FRANCE (5.07%*)		3,466	2.00
Vallourec	27,000	3,466	2.00
GERMANY (2.96%*)		8,346	4.83
Fresenius	128,873	4,386	2.54
Siemens	63,500	3,960	2.29
HONG KONG (2.18%*)		3,150	1.82
Shun Tak	8,368,000	3,150	1.82
IRELAND (0.00%*)		4,297	2.49
Ryanair	1,550,165	4,297	2.49
JAPAN (7.41%*)		22,284	12.90
FUJIFILM	163,000	3,309	1.92
Mitsui	249,300	2,472	1.43
Nissan Motor	760,000	3,774	2.18
Shinko Electric Industries	361,600	3,589	2.08
Sumitomo Mitsui Financial	217,700	4,457	2.58
Yamada Denki	98,000	4,683	2.71
LUXEMBOURG (2.81%*)		-	-
MEXICO (1.36%*)		4,482	2.59
Cemex SAB de CV ADR	582,889	4,482	2.59
NETHERLANDS (2.61%*)		7,442	4.31
Koninklijke KPN	397,884	3,579	2.07
Reed Elsevier	540,000	3,863	2.24
NORWAY (2.57%*)		-	-
PANAMA (0.00%*)		5,008	2.90
Carnival	198,327	5,008	2.90
SWITZERLAND (4.93%*)		8,119	4.70
Nestle	143,401	4,460	2.58
Novartis	118,800	3,659	2.12
UNITED KINGDOM (13.71%*)		19,524	11.30
HSBC	597,475	3,789	2.19
Imperial Tobacco	172,300	3,074	1.78
Royal Dutch Shell 'A'	216,000	3,920	2.27
SWIP Japanese Smaller Companies Fund A Acc †	1,022,968	1,616	0.94
Thomas Cook	1,397,447	2,876	1.66
Vodafone	3,111,952	4,249	2.46

Global Select Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
UNITED STATES (48.05%*)		58,774	34.03
Apache	60,500	3,814	2.21
Bank of America	377,000	4,185	2.42
Charles Schwab	289,615	3,332	1.93
Citrix Systems	116,000	3,508	2.03
Equifax	216,241	4,542	2.63
International Business Machines	41,757	3,622	2.10
JDS Uniphase	353,000	2,792	1.62
Johnson & Johnson	106,305	4,304	2.49
Lorillard	88,967	4,455	2.58
Masco	460,807	4,296	2.49
Pfizer	357,533	3,770	2.18
PNC Financial Services	109,000	4,823	2.79
Wells Fargo	240,467	4,855	2.81
Western Union	280,030	3,126	1.81
Xerox	517,000	3,350	1.94
Portfolio of investments		161,353	93.40
Net other assets		11,397	6.60
Total net assets		172,750	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

Stocks shown as ADR's represent American Depositary Receipts.

‡ Scottish Widows Investment Partnership (SWIP). This investment is a related party.

Global Select Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>157,086</u>	Total sales for the period	<u>159,585</u>
Major purchases		Major sales	
Yamada Denki	4,798	Tenaris ADR	5,447
Ryanair	4,643	Microsoft	5,431
Bank of America	4,551	BOC Hong Kong	4,969
BOC Hong Kong	4,430	Occidental Petroleum	4,904
Novartis	4,283	Roche	4,532
Halliburton	4,231	Mitsubishi Estate	4,442
Apache	4,225	Southern	4,429
China Railway Construction	4,216	Chubb	4,276
PNC Financial Services	4,196	MDU Resources	4,245
Nissan Motor	4,193	Hewlett-Packard	4,243
Reed Elsevier	4,190	Chevron	4,208
Royal Dutch Shell 'A'	4,189	Statoil	4,195
Chevron	4,186	Colgate-Palmolive	4,125
Mitsui	4,174	MEMC Electronic Materials	4,114
Siemens	4,088	Halliburton	4,099
Carnival	4,016	Emerson Electric	4,075
Toyota Motor	4,001	Total	4,065
Xerox	3,704	SAP	3,978
Citrix Systems	3,643	Bridgestone	3,887
Vallourec	3,638	Zimmer	3,825
FUJIFILM	3,629	Kao	3,779
Bridgestone	3,611	Cookson	3,648
Sampo	3,611	Hutchison Whampoa	3,553
Imperial Tobacco	3,551	Lazard	3,490
Cia Energetica de Sao Paulo	3,541	Toyota Motor	3,423
Lazard	3,533	Xstrata	3,420
Charles Schwab	3,400	Hon Hai Precision Industry	3,374
Shinko Electric Industries	3,394	Integrus Energy	3,265
International Business Machines	3,386	Mitsubishi	3,263
Shun Tak	3,336	Marsh & McLennan	3,240
Hon Hai Precision Industry	3,287		

Stocks shown as ADR's represent American Depositary Receipts.

Global Select Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains		6,527		1,794
Revenue	2,281		2,397	
Expenses	(930)		(748)	
Finance costs: Interest	(1)		-	
Net revenue before taxation	1,350		1,649	
Taxation	(237)		(302)	
Net revenue after taxation		1,113		1,347
Total return before equalisation		7,640		3,141
Finance costs: Equalisation		13		18
Change in net assets attributable to shareholders from investment activities		7,653		3,159

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		161,167		129,461
Amounts receivable on creation of shares	4,970		9,694	
Less: Amounts payable on cancellation of shares	(1,062)		(7,362)	
		3,908		2,332
Dilution levy charged		22		43
Stamp duty reserve tax		-		(1)
Change in net assets attributable to shareholders from investment activities		7,653		3,159
Closing net assets attributable to shareholders		172,750		134,994

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Global Select Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	<u>161,353</u>	<u>157,440</u>
Debtors	1,564	552
Cash and bank balances	<u>10,036</u>	<u>4,910</u>
Total other assets	<u>11,600</u>	<u>5,462</u>
Total assets	<u>172,953</u>	<u>162,902</u>
Liabilities		
Creditors	<u>(203)</u>	<u>(1,735)</u>
Total liabilities	<u>(203)</u>	<u>(1,735)</u>
Net assets attributable to shareholders	<u>172,750</u>	<u>161,167</u>

Japan Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily Japanese equities.

The Fund will invest in a diversified portfolio of primarily Japanese equities quoted on the first and second sections of the Tokyo Stock exchange. Equities quoted on regional Japanese stock exchanges and the OTC market may be purchased and investment in convertible bonds and warrants issued by companies quoted on any of the above exchanges is also permitted. The Fund may invest in other types of investment at the discretion of the ACD.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Japan Growth Fund A Accumulation	13.31	7.34	(18.29)	(7.88)	(6.53)	29.89
Japan Sector Average Return	14.64	5.57	(16.39)	(7.96)	(6.97)	33.34
MSCI Japan Index	13.08	6.74	(15.63)	(2.15)	(0.90)	34.37

Sources: Lipper for Japan Growth Fund and Japan Sector Average Return (funds which invest at least 80% of their assets in Japanese equities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the MSCI Japan Index (GBP). Basis: Income reinvested and gross of expenses.

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

Japanese equity markets experienced a slight gain over the six month reporting period, with the Topix index finishing up 5.7% in yen terms. The Fund outperformed its benchmark.

Recently, Japanese policymakers have increased their efforts to sustain economic recovery, as concern intensifies that the rising yen will curb exporters' profits and that falling prices will undermine consumer spending. The Bank of Japan unveiled a ¥10 trillion credit programme, followed by the announcement of ¥7.2 trillion economic stimulus package by the government.

In addition, speculation that the Bank of Japan would take further monetary easing action slowed the yen's progress in early 2010. This made exporters look more attractive to investors. Analysts also pointed out that a weaker yen would provide a timely boost to company earnings in the last month of the financial year. In late March, amid fears of deflation, the Japanese central bank confirmed plans to free up more cash for banks, doubling its lending to ¥20 trillion.

In May, however, exporters suffered for much of the month as the yen's strength increased. Investors flocked to the perceived safety of the currency as the debt crisis in Europe continued.

At individual asset level, Sumitomo Heavy Industries was the portfolio's strongest performer over the reporting period. The company benefited as Japanese machinery orders began to improve, both domestically and overseas.

Asahi Glass was also beneficial to performance during the review period. The company makes glass for automobiles, construction and flat-panel displays. Its production levels have recently risen more quickly than expected, partly due to strong demand for LCD TVs.

In contrast, our holding in Shionogi & Co, which manufactures and sells pharmaceuticals, had a detrimental effect on returns. The pharmaceutical sector underperformed during the six months, and in Shionogi's case, the outcome of an upcoming court case may have weighed on the share price.

Our outlook for the Japanese market over the medium to long term remains cautiously positive. We believe that banking and other financial stocks are in a strong position to take advantage of Japan's continued economic recovery. Last year, performance was held back by equity issuance as the big banks strove to improve their balance sheets. This process is now almost complete and falling credit costs should help their earnings to beat expectations.

Looking ahead, we expect to retain the Fund's moderately underweight (compared to the benchmark) exposure to the typically defensive sectors, such as consumer staples and utilities. In contrast, our outlook for the financials sector remains positive. Finally, current demand levels combined with a shortage of components leaves us with a positive outlook for the technology sector.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Japan Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	1,356,635	1,755,284	77.29	1.67
Accumulation 30/11/08	1,017,219	1,600,609	63.55	1.69
Accumulation 30/11/09	1,079,454	1,599,409	67.49	1.70
Accumulation 31/05/10	1,180,801	1,541,409	76.61	1.66
Share Class B				
Accumulation 30/11/07	764,846	958,964	79.76	1.30
Accumulation 30/11/08	590,115	896,464	65.83	1.32
Accumulation 30/11/09	599,931	854,964	70.17	1.32
Accumulation 31/05/10	668,640	837,964	79.79	1.29
Share Class X				
Accumulation 30/11/07	26,307,120	31,133,865	84.50	0.17
Accumulation 30/11/08	24,142,178	34,232,365	70.52	0.19
Accumulation 30/11/09	28,115,209	36,977,565	76.03	0.19
Accumulation 31/05/10	32,527,281	37,414,365	86.94	0.16

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	64.80	241.43

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	98.24	64.89	-
Accumulation 2006	104.50	81.21	-
Accumulation 2007	89.92	72.64	-
Accumulation 2008	79.40	56.26	0.4074
Accumulation 2009	74.11	55.44	0.0096
Accumulation 2010*	81.84	71.16	-
Share Class B			
Accumulation 2005	100.70	66.30	0.0877
Accumulation 2006	107.20	83.48	-
Accumulation 2007	92.54	74.95	-
Accumulation 2008	82.10	58.25	0.6924
Accumulation 2009	76.99	57.48	0.2701
Accumulation 2010*	85.20	74.02	-
Share Class X			
Accumulation 2005	104.40	68.20	0.9656
Accumulation 2006	111.50	87.14	0.8657
Accumulation 2007	97.20	79.40	0.9540
Accumulation 2008	87.48	61.94	1.6069
Accumulation 2009	82.87	61.43	1.1380
Accumulation 2010*	92.66	80.29	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Japan Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (6.10%*)		2,624	7.63
Chemicals			
Shin-Etsu Chemical	19,900	691	2.01
Ube Industries	294,000	493	1.43
Industrial Metals & Mining			
Sumitomo Metal Industries	575,000	989	2.88
Mining			
JX	123,000	451	1.31
CONSUMER GOODS (19.89%*)		6,967	20.28
Automobiles & Parts			
Aisin Seiki	27,300	525	1.53
Nissan Motor	191,800	952	2.77
Sumitomo Rubber Industries	94,400	576	1.68
Toyota Motor	91,800	2,276	6.62
Household Goods & Home Construction			
Sekisui House	102,000	631	1.84
Leisure Goods			
FUJIFILM	35,600	723	2.10
Panasonic	98,200	862	2.51
Tobacco			
Japan Tobacco	196	422	1.23
CONSUMER SERVICES (11.54%*)		2,331	6.78
General Retailers			
Yamada Denki	17,060	815	2.37
Retail			
Point	12,110	472	1.37
Travel & Leisure			
East Japan Railway	24,000	1,044	3.04
FINANCIALS (19.72%*)		5,882	17.10
Banks			
Chuo Mitsui	345,000	835	2.43
Mitsubishi UFJ Financial	378,100	1,261	3.67
Mizuho Financial	326,300	404	1.17
Sumitomo Mitsui Financial	74,100	1,517	4.41
Financial Services			
Nomura	219,900	935	2.72
Real Estate Investment & Services			
Mitsubishi Estate	88,000	930	2.70
HEALTHCARE (4.24%*)		1,442	4.19
Healthcare Equipment & Services			
Hogy Medical	17,100	581	1.69
Pharmaceuticals & Biotechnology			
Shionogi	71,000	861	2.50
INDUSTRIALS (16.89%*)		8,065	23.46
Construction & Materials			
Asahi Glass	114,000	825	2.40

Japan Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Electronic & Electrical Equipment			
Nidec	11,600	727	2.11
TDK	19,800	793	2.31
General Industrials			
Mitsubishi	21,900	341	0.99
Toshiba	227,000	803	2.34
Industrial Engineering			
Fanuc	8,000	579	1.68
JGC	83,000	894	2.60
Sumitomo Heavy Industries	267,000	1,035	3.01
Industrial Transportation			
Sankyu	125,000	360	1.05
Support Services			
Mitsui	172,200	1,708	4.97
OIL & GAS (2.74%*)		471	1.37
Oil & Gas Producers			
Inpex	110	471	1.37
TECHNOLOGY (9.22%*)		3,818	11.11
Software & Computer Services			
Capcom	55,200	655	1.90
Nomura Research Institute	30,400	470	1.37
Technology Hardware & Equipment			
Fujitsu	235,000	1,031	3.00
Shinko Electric Industries	69,900	694	2.02
Tokyo Electron	24,000	968	2.82
TELECOMMUNICATIONS (4.78%*)		1,343	3.91
Fixed Line Telecommunications			
Nippon Telegraph & Telephone	24,100	673	1.96
Mobile Telecommunications			
NTT DoCoMo	655	670	1.95
UTILITIES (3.24%*)		1,005	2.92
Electricity			
Kansai Electric Power	64,300	1,005	2.92
Portfolio of investments		33,948	98.75
Net other assets		429	1.25
Total net assets		34,377	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

Japan Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>12,114</u>	Total sales for the period	<u>11,357</u>
Major purchases		Major sales	
TDK	1,082	Misubishi	1,040
Nidec	749	Mitsui OSK Lines	779
NTT DoCoMo	674	Jupiter Telecommunications	766
Sankyu	669	KDDI	715
Nippon Telegraph & Telephone	559	Nippon Telegraph & Telephone	655
Fanuc	553	Nintendo	604
Aisin Seiki	540	Daiichi Sankyo	575
Hogy Medical	540	Ryohin Keikaku	508
Mitsubishi UFJ Financial	535	Mizuho Financial	493
JGC	527	Canon	483
Nomura Research Institute	504	Tokio Marine	477
Point	499	T&D	452
Toshiba	475	ABC Mart	421
Nissan Motor	472	Japan Tobacco	415
Japan Tobacco	465	Seven & I	415
T&D	438	Mitsubishi Estate	336
Canon	430	Xebio	322
Sumitomo Mitsui Financial	338	Toyota Motor	312
ABC Mart	334	Daichi Life Insurance	300
Mitsubishi	330	TDK	293

Japan Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains		4,021		1,204
Revenue	336		313	
Expenses	(39)		(35)	
Finance costs: Interest	-		-	
Net revenue before taxation	<u>297</u>		<u>278</u>	
Taxation	<u>(23)</u>		<u>(23)</u>	
Net revenue after taxation		<u>274</u>		<u>255</u>
Total return before equalisation		4,295		1,459
Finance costs: Equalisation		<u>1</u>		<u>57</u>
Change in net assets attributable to shareholders from investment activities		<u>4,296</u>		<u>1,516</u>

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		29,795		25,750
Amounts receivable on creation of shares	1,061		6,125	
Less: Amounts payable on cancellation of shares	<u>(780)</u>		<u>(962)</u>	
		281		5,163
Dilution levy charged		5		35
Change in net assets attributable to shareholders from investment activities		<u>4,296</u>		<u>1,516</u>
Closing net assets attributable to shareholders		<u>34,377</u>		<u>32,464</u>

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Japan Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	33,948	29,307
Debtors	791	285
Cash and bank balances	947	399
Total other assets	1,738	684
Total assets	35,686	29,991
Liabilities		
Creditors	(1,297)	(196)
Bank overdrafts	(12)	-
Total liabilities	(1,309)	(196)
Net assets attributable to shareholders	34,377	29,795

Japan Select Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a select portfolio of primarily Japanese equities.

The Fund will invest in a select portfolio of primarily Japanese equities quoted on the first and second sections of the Tokyo Stock exchange. Equities quoted on regional Japanese stock exchanges and the OTC market may be purchased and investment in convertible bonds and warrants issued by companies quoted on any of the above exchanges is also permitted. The Fund will focus on a limited number of holdings (typically between 30 and 50) and may invest in other types of investment at the discretion of the ACD.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Japan Select Growth Fund A Accumulation	14.35	7.94	(21.60)	(9.83)	(6.79)	27.79
Japan Sector Average Return	14.64	5.57	(16.39)	(7.96)	(6.97)	33.34
MSCI Japan Index	13.08	6.74	(15.63)	(2.15)	(0.90)	34.37

Sources: Lipper for Japan Select Growth Fund and Japan Sector Average Return (funds which invest at least 80% of their assets in Japanese equities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the MSCI Japan Index (GBP). Basis: Income reinvested and gross of expenses.

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

Japanese equity markets experienced a slight gain over the six month reporting period, with the Topix index finishing up 5.7% in yen terms. The Fund outperformed its benchmark.

Recently, Japanese policymakers have increased their efforts to sustain economic recovery, as concern intensifies that the rising yen will curb exporters' profits and that falling prices will undermine consumer spending. The Bank of Japan unveiled a ¥10 trillion credit programme, followed by the announcement of ¥7.2 trillion economic stimulus package by the government.

In addition, speculation that the Bank of Japan would take further monetary easing action slowed the yen's progress in early 2010. This made exporters look more attractive to investors. Analysts also pointed out that a weaker yen would provide a timely boost to company earnings in the last month of the financial year. In late March, amid fears of deflation, the Japanese central bank confirmed plans to free up more cash for banks, doubling its lending to ¥20 trillion.

In May, however, exporters suffered for much of the month as the yen's strength increased. Investors flocked to the perceived safety of the currency as the debt crisis in Europe continued.

At individual asset level, Sumitomo Heavy Industries was the portfolio's strongest performer over the reporting period. The company benefited as Japanese machinery orders began to improve, both domestically and overseas.

Asahi Glass was also beneficial to performance during the review period. The company makes glass for automobiles, construction and flat-panel displays. Its production levels have recently risen more quickly than expected, partly due to strong demand for LCD TVs.

In contrast, our holding in Shionogi & Co, which manufactures and sells pharmaceuticals, had a detrimental effect on returns. The pharmaceutical sector underperformed during the six months, and in Shionogi's case, the outcome of an upcoming court case may have weighed on the share price.

Our outlook for the Japanese market over the medium to long term remains cautiously positive. We believe that banking and other financial stocks are in a strong position to take advantage of Japan's continued economic recovery. Last year, performance was held back by equity issuance as the big banks strove to improve their balance sheets. This process is now almost complete and falling credit costs should help their earnings to beat expectations.

Looking ahead, we expect to retain the Fund's moderately underweight (compared to the benchmark) exposure to the typically defensive sectors, such as consumer staples and utilities. In contrast, our outlook for the financials sector remains positive. Finally, current demand levels combined with a shortage of components leaves us with a positive outlook for the technology sector.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Japan Select Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	1,121,222	577,025	194.31	2.35
Accumulation 30/11/08	855,256	552,025	154.93	2.48
Accumulation 30/11/09	883,394	535,525	164.96	2.71
Accumulation 31/05/10	935,843	495,925	188.71	2.50
Share Class X				
Accumulation 30/11/07	228,236	110,416	206.70	0.85
Accumulation 30/11/08	138,719	82,916	167.30	0.98
Accumulation 30/11/09	124,625	68,916	180.84	1.19
Accumulation 31/05/10	148,826	71,416	208.39	1.01

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	31.59	160.07

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	251.90	172.40	-
Accumulation 2006	266.10	206.70	-
Accumulation 2007	229.00	180.40	-
Accumulation 2008	197.50	137.20	-
Accumulation 2009	177.80	134.00	-
Accumulation 2010*	200.70	172.90	-
Share Class X			
Accumulation 2005	259.00	178.10	1.9779
Accumulation 2006	277.40	216.50	-
Accumulation 2007	240.80	192.50	1.6113
Accumulation 2008	229.50	148.80	2.3003
Accumulation 2009	195.40	146.10	1.3699
Accumulation 2010*	221.10	189.80	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Japan Select Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
JAPAN (99.90%*)		1,057	97.42
BASIC MATERIALS (5.95%*)		80	7.37
Chemicals			
Shin-Etsu Chemical	700	24	2.21
Ube Industries	9,000	15	1.38
Industrial Metals & Mining			
Sumitomo Metal Industries	15,000	26	2.40
Mining			
JX	4,200	15	1.38
CONSUMER GOODS (23.40%*)		224	20.64
Automobiles & Parts			
Bridgestone	1,500	17	1.57
Nissan Motor	5,700	28	2.58
Toyota Motor	3,200	79	7.28
Household Goods & Home Construction			
Sekisui House	4,000	25	2.30
Leisure Goods			
FUJIFILM	1,000	20	1.84
Panasonic	2,600	23	2.12
Sony	900	19	1.75
Tobacco			
Japan Tobacco	6	13	1.20
CONSUMER SERVICES (11.21%*)		109	10.04
Food & Drug Retailers			
Seven & I	1,000	16	1.48
General Retailers			
Ryohin Keikaku	400	11	1.01
Yamada Denki	598	29	2.67
Media			
Fuji Media	14	14	1.29
Travel & Leisure			
East Japan Railway	900	39	3.59
FINANCIALS (19.53%*)		187	17.24
Banks			
Bank of Yokohama	3,000	10	0.92
Chuo Mitsui	9,000	22	2.03
Mitsubishi UFJ Financial	9,800	33	3.04
Mizuho Financial	11,100	14	1.29
Sumitomo Mitsui Financial	2,200	45	4.15
Financial Services			
Nomura	7,300	31	2.86
Real Estate Investment & Services			
Mitsubishi Estate	3,000	32	2.95
HEALTHCARE (5.26%*)		49	4.51
Healthcare Equipment & Services			
Daiichi Sankyo	1,300	15	1.38
Santen Pharmaceutical	500	11	1.01

Japan Select Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Pharmaceuticals & Biotechnology			
Shionogi	1,900	23	2.12
INDUSTRIALS (14.40%*)		201	18.53
Construction & Materials			
Asahi Glass	3,000	22	2.03
Electronic & Electrical Equipment			
Nidec	300	19	1.75
TDK	300	12	1.11
General Industrials			
Mitsubishi	1,700	26	2.40
Toshiba	4,000	14	1.29
Industrial Engineering			
Fanuc	200	14	1.29
JGC	1,000	11	1.01
Komatsu	1,200	15	1.38
Sumitomo Heavy Industries	4,800	19	1.75
Industrial Transportation			
Sankyu	4,000	12	1.11
Support Services			
Mitsui	3,700	37	3.41
OIL & GAS (2.88%*)		17	1.57
Oil & Gas Producers			
Inpex	4	17	1.57
TECHNOLOGY (9.63%*)		111	10.23
Software & Computer Services			
Capcom	1,600	19	1.75
Nomura Research Institute	900	14	1.29
Technology Hardware & Equipment			
Canon	500	14	1.29
Fujitsu	5,000	22	2.03
Shinko Electric Industries	1,800	18	1.66
Tokyo Electron	600	24	2.21
TELECOMMUNICATIONS (4.07%*)		38	3.51
Fixed Line Telecommunications			
Nippon Telegraph & Telephone	800	22	2.03
Mobile Telecommunications			
NTT DoCoMo	16	16	1.48
UTILITIES (3.57%*)		41	3.78
Electricity			
Kansai Electric Power	900	14	1.29

Japan Select Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Gas, Water & Multiutilities			
Tokyo Gas	9,000	27	2.49
IRELAND (0.70%*)		-	-
FINANCIALS (0.70%*)		-	-
Portfolio of investments		1,057	97.42
Net other assets		28	2.58
Total net assets		1,085	100.00

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

* Comparative figures shown in brackets relate to 30 November 2009.

Japan Select Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>226</u>	Total sales for the period	<u>332</u>
Total purchases		Major sales	
Nippon Telegraph & Telephone	22	Jupiter Telecommunications	27
Nidec	19	Japan Tobacco	24
NTT DoCoMo	17	KDDI	24
T&D	15	Mitsui OSK Lines	22
Japan Tobacco	14	Nintendo	22
Nomura Research Institute	14	Nippon Telegraph & Telephone	19
Fanuc	14	Mitsubishi	17
Fuji Media	14	T&D	16
TDK	13	Tokio Marine	15
JGC	12	Mizuho Financial	14
Toshiba	12	ABC-Mart	14
Sankyu	12	Sony	13
Mitsubishi UFJ Financial	12	Mitsubishi Estate	12
Sumitomo Mitsui Financial	11	NTT Data	10
ABC-Mart	11	Dai-ichi Life Insurance	10
Dai-ichi Life Insurance	9	Hitachi Transport System	9
Nissan Motor	5	Canon	9
		iShares MSCI Japan Fund ETF #	9
		Sumitomo Heavy Industries	8
		Xebio	5

Exchange Traded Fund.

Japan Select Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains		153		40
Revenue	10		11	
Expenses	(11)		(12)	
Finance costs: Interest	-		-	
Net expenses before taxation	(1)		(1)	
Taxation	(1)		(1)	
Net expenses after taxation		(2)		(2)
Total return before equalisation		151		38
Finance costs: Equalisation		-		-
Change in net assets attributable to shareholders from investment activities		151		38

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,008		994
Amounts receivable on creation of shares	69		25	
Less: Amounts payable on cancellation of shares	(144)		(36)	
		(75)		(11)
Dilution levy charged		1		-
Change in net assets attributable to shareholders from investment activities		151		38
Closing net assets attributable to shareholders		1,085		1,021

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Japan Select Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	1,057	1,014
Debtors	58	5
Cash and bank balances	20	12
Total other assets	78	17
Total assets	1,135	1,031
Liabilities		
Creditors	(50)	(23)
Total liabilities	(50)	(23)
Net assets attributable to shareholders	1,085	1,008

Pacific Growth Fund

Authorised Fund Manager's Report

for the period 1 December 2009 to 31 May 2010 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of primarily Asian and Australasian equities, excluding Japan.

The Fund will invest in a diversified portfolio of predominantly Asian and Australasian equities (excluding Japan) which may also include, directly or indirectly, warrants, depository receipts, convertibles and bonds. However the Fund may invest in other types of investment at the discretion of the ACD.

Investment Review

Performance	01/12/09 to 31/05/10 %	01/12/08 to 30/11/09 %	01/12/07 to 30/11/08 %	01/12/06 to 30/11/07 %	01/12/05 to 30/11/06 %	01/12/04 to 30/11/05 %
Pacific Growth Fund A Accumulation	8.12	60.84	(38.60)	29.68	13.91	28.72
Asia Pacific (ex-Japan) Sector Average Return	6.43	64.27	(40.56)	39.47	18.98	27.49
MSCI AC Asia Pacific (ex-Japan) Index	8.13	70.68	(41.21)	38.24	18.10	31.96

Sources: Lipper for Pacific Growth Fund and Asia Pacific (ex-Japan) Sector Average Return (funds which invest at least 80% of their assets in Asia Pacific equities and exclude Japanese securities). Basis: Mid to Mid, net income reinvested and net of expenses.

Source: Rimes for the MSCI AC Asia Pacific (ex-Japan) Index (GBP). Basis: Income reinvested and gross of expenses.

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

Equity indices in the Asia Pacific region performed strongly towards the end of 2009. The region sold off in January, however, after news of a move by Indian and Chinese bank regulators to increase reserving requirements for financial institutions in their respective economies. Fears over a potential growth bubble were the catalysts for the plan.

In May, the region went on to suffer its worst declines since October 2008. A variety of factors combined to drag down prices, including an Australian mining industry "super profit" tax and cross-border tensions between South Korea and its northern counterpart. The MSCI Asia Pacific (ex-Japan) index was down 1.6% in local currency terms over the six months. The Fund produced a return in line with that of its benchmark.

Economic data released during the period provided some cheer, however. Encouraging industrial production figures and better-than-expected Q4 GDP growth figures were a leading driver of regional returns. Taiwan's market was particularly strong, as data showed that the emerging tiger's economy grew by a record 18% in the fourth quarter on an annualised basis.

Stock selection – particularly in Taiwan, South Korea and Malaysia - was strong over the six months, making a positive contribution to performance. At sector level, industrials and capital goods achieved the best returns.

Turning to individual stocks, our holding in Samsung Electro-Mechanics had a positive effect on returns over the six months. It benefited from an increase in demand for its light-emitting diode (LED) products.

Ruentex industries, a Taiwanese textile company, also performed strongly. The share price has had a strong run since the end of March, when expectations increased that export tariffs to China would be lowered.

Finally, the Korean company Kia Motors was positive for performance. It did well on the back of earnings upgrades and remains very cheap.

Our outlook for the Asia/Pacific region is generally positive, although the potential for more volatility remains.

From a corporate perspective, sales expectations have increased and we now expect increased earnings per share to be driven by sales growth, rather than cost-cutting measures. Meanwhile, merger and acquisition activity has begun to rebound and companies have begun to realise that stock prices are cheap – leading to an increase in share buyback schemes.

Some high-quality companies are now available at attractive prices. We intend to use our stock-picking skills to seek these opportunities out, with the aim of delivering good value and strong returns.

Scottish Widows Investment Partnership Limited

June 2010

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Pacific Growth Fund

Performance Record

as at 31 May 2010 (unaudited)

Net Asset Value and Total Expense Ratio

	Net Asset Value of share class (£)	Shares in issue	Net Asset Value per share (p)	*Total Expense Ratio (%)
Share Class A				
Accumulation 30/11/07	26,326,776	3,706,103	710.36	1.67
Accumulation 30/11/08	14,633,126	3,334,303	438.87	1.70
Accumulation 30/11/09	22,116,715	3,148,603	702.43	1.78
Accumulation 31/05/10	23,082,867	3,041,103	759.03	1.70
Share Class B				
Accumulation 30/11/07	7,555,446	1,055,087	716.10	1.42
Accumulation 30/11/08	4,392,495	991,087	443.20	1.45
Accumulation 30/11/09	6,661,192	936,687	711.14	1.53
Accumulation 31/05/10	6,892,891	895,887	769.39	1.45
Share Class X				
Accumulation 30/11/07	24,995,279	3,309,166	755.33	0.17
Accumulation 30/11/08	15,050,867	3,190,266	471.77	0.20
Accumulation 30/11/09	22,400,223	2,926,366	765.46	0.27
Accumulation 31/05/10	23,271,421	2,792,866	833.25	0.20

*The Total Expenses Ratio (TER) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The TER can fluctuate as underlying costs change.

Portfolio Turnover Rate

	31/05/10 (%)	30/11/09 (%)
PTR	(2.50)	64.80

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the Fund during the period. The PTR is the sum of all transactions in securities less the sum of all transactions in the Fund's shares against the Fund's average net asset value.

Share Price History and Revenue Record

Calendar year	Highest published share price (p)	Lowest published share price (p)	Net Revenue(†) per share (p)
Share Class A			
Accumulation 2005	507.40	379.90	3.7817
Accumulation 2006	559.30	465.90	6.2059
Accumulation 2007	784.00	548.00	5.1272
Accumulation 2008	735.30	394.50	6.5877
Accumulation 2009	745.60	424.20	8.2347
Accumulation 2010*	832.30	693.50	-
Share Class B			
Accumulation 2005	509.60	380.90	4.5994
Accumulation 2006	562.80	468.30	7.2583
Accumulation 2007	790.10	551.50	6.4315
Accumulation 2008	741.30	398.40	7.8165
Accumulation 2009	754.80	428.70	9.7062
Accumulation 2010*	843.40	702.40	-
Share Class X			
Accumulation 2005	527.50	390.10	8.1021
Accumulation 2006	591.50	490.10	12.7472
Accumulation 2007	832.70	579.80	13.4409
Accumulation 2008	790.20	427.10	14.5236
Accumulation 2009	813.10	460.70	16.8004
Accumulation 2010*	911.80	757.60	-

(†) Allocated for accumulation shares.

* To 31 May 2010.

Share class X is not published.

Pacific Growth Fund

Portfolio Statement

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
AUSTRALIA (27.85%*)		14,194	26.67
AGL Energy	11,970	95	0.18
AMP	70,436	233	0.44
ASX	6,658	121	0.23
Australia & New Zealand Banking	70,259	925	1.74
AXA Asia Pacific	60,178	206	0.39
BGP**	415,109	-	-
BHP Billiton	88,339	2,011	3.78
BlueScope Steel	76,921	104	0.20
Brambles	54,029	205	0.38
Coca-Cola Amatil	24,256	154	0.29
Commonwealth Bank of Australia	44,497	1,355	2.54
CSL	19,027	349	0.66
Energy Resources of Australia	5,505	46	0.09
Fairfax Media	113,276	99	0.19
Fortescue Metals	64,593	158	0.30
GPT***	83,021	129	0.24
Incitec Pivot	96,331	169	0.32
Insurance Australia	81,757	174	0.33
Intoll	148,362	90	0.17
Macquarie	10,408	268	0.50
Macquarie Atlas Roads	29,672	14	0.03
MAP	50,191	81	0.15
Metcash	40,704	94	0.18
National Australia Bank	57,583	834	1.57
Newcrest Mining	16,396	307	0.58
Orica	12,707	188	0.35
Origin Energy	30,185	263	0.49
OZ Minerals	177,802	113	0.21
Paladin Energy	33,838	76	0.14
Qantas Airways	78,520	112	0.21
QBE Insurance	31,238	358	0.67
Rio Tinto	13,619	543	1.02
Santos	29,574	215	0.40
Sonic Healthcare	16,476	97	0.18
Stockland***	91,208	205	0.37
Telstra	150,282	259	0.49
Wesfarmers	32,053	541	1.02
Wesfarmers (Price Protected Shares)	21,330	359	0.67
Westfield***	65,406	488	0.92
Westpac Banking	87,888	1,202	2.26
Woodside Petroleum	15,201	386	0.72
Woolworths	36,811	568	1.07
BERMUDA (0.46%*)		235	0.44
COSCO Pacific	100,000	85	0.16
Esprit	39,041	150	0.28

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
CAYMAN ISLANDS (3.08%*)		1,745	3.27
Alibaba.com	67,000	92	0.17
Belle International	198,000	184	0.35
China Dongxiang	182,000	84	0.16
China Resources Land	80,000	105	0.20
China Zhongwang	106,000	55	0.10
Country Garden	302,000	60	0.11
Hengan International	33,000	162	0.30
Hopewell Highway Infrastructure	221,600	100	0.19
Lifestyle International	132,000	166	0.31
Renhe Commercial	730,000	109	0.20
Shimao Property	88,000	91	0.17
Tencent	30,000	400	0.75
Tingyi Cayman Islands	90,000	137	0.26
CHINA (9.98%*)		5,142	9.67
Aluminum of China	180,000	107	0.20
Angang Steel	90,000	90	0.17
Anhui Conch Cement	40,000	90	0.17
Bank of China	1,830,000	631	1.19
Bank of Communications	221,000	164	0.31
BYD	33,000	186	0.35
China Coal Energy	156,000	149	0.28
China Communications Construction	160,000	95	0.18
China Communications Services	240,000	73	0.14
China Construction Bank	1,349,000	750	1.41
China COSCO	134,000	104	0.19
China Life Insurance	158,000	478	0.90
China Merchants Bank	122,200	201	0.38
China National Building Material	60,000	67	0.13
China Petroleum & Chemical	530,000	292	0.55
China Railway	213,000	97	0.18
China Railway Construction	117,000	96	0.18
China Shenhua Energy	107,000	297	0.56
China Telecom	520,000	165	0.31
Huaneng Power International	200,000	81	0.15
Industrial & Commercial Bank of China	833,000	424	0.80
PetroChina	320,000	241	0.45
Ping An Insurance	29,000	162	0.30
Zijin Mining	200,000	102	0.19
HONG KONG (11.43%*)		6,334	11.89
Bank of East Asia	49,000	121	0.23
BOC Hong Kong	144,000	223	0.42
Cathay Pacific Airways	152,000	202	0.38
Cheung Kong	44,000	348	0.65
China Merchants International	70,000	152	0.29
China Mobile	128,500	832	1.56
China Overseas Land & Investment	140,000	190	0.36
China Resources Enterprise	60,000	141	0.26
China Resources Power	80,000	109	0.20
China Unicom Hong Kong	210,000	178	0.33
CLP	69,000	333	0.63
CNOOC	539,000	591	1.11
Denway Motors	230,000	65	0.12

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Fosun International	157,000	71	0.13
Guangdong Investment	320,000	104	0.20
Hang Seng Bank	26,600	245	0.46
Henderson Land Development	40,000	166	0.31
Henderson Land Development Warrants	8,000	-	-
Hong Kong Aircraft Engineering	11,200	84	0.16
Hong Kong Exchanges and Clearing	19,700	212	0.40
Hopewell	49,000	92	0.17
Hutchison Whampoa	68,353	296	0.56
Lenovo	410,000	173	0.32
MTR	58,000	137	0.26
New World Development	85,000	95	0.18
PCCW	591,000	109	0.20
Sino-Ocean Land	156,000	79	0.15
Sun Hung Kai Properties	46,000	425	0.80
Swire Pacific	29,000	219	0.41
Television Broadcasts	45,000	133	0.25
Wharf	37,000	128	0.24
Wheelock	44,000	81	0.15
INDIA (7.65%*)		4,311	8.10
Axis Bank	7,495	135	0.25
Bharat Heavy Electricals	4,656	160	0.30
Bharti Airtel	9,572	37	0.07
Cipla	32,466	153	0.29
DLF	21,404	87	0.16
Dr Reddys Laboratories	12,381	244	0.46
Grasim Industries	4,749	132	0.25
HDFC Bank	10,187	286	0.54
Hindustan Unilever	41,223	143	0.27
Housing Development Finance	6,981	287	0.54
ICICI Bank	25,694	324	0.61
Infosys Technologies	4,425	174	0.33
Infrastructure Development Finance	48,998	111	0.21
Jaiprakash Associates	39,204	73	0.14
Jindal Steel & Power	17,706	169	0.32
Larsen & Toubro	7,215	173	0.32
Oil & Natural Gas	10,229	172	0.32
Reliance Communications	22,151	46	0.09
Reliance Industries	44,850	682	1.28
Reliance Infrastructure	5,884	91	0.17
Sterlite Industries India	12,812	127	0.24
Tata Steel	15,366	114	0.21
Tatan Consultancy Services	17,087	189	0.35
Wipro	20,703	202	0.38
INDONESIA (2.42%*)		1,543	2.89
Astra International	70,000	215	0.40
Bank Central Asia	500,000	196	0.37
Bank Mandiri	355,000	132	0.25
Bank Rakyat Indonesia	214,000	132	0.25
Bumi Resources	909,000	135	0.25
Perusahaan Gas Negara	477,000	130	0.24
Telekomunikasi Indonesia	376,000	210	0.39
Unilever Indonesia	155,000	174	0.33
United Tractors	168,000	219	0.41

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
IRELAND (2.52%*)		227	0.43
iShares MSCI AC Far East ex-Japan ETF #	9,000	227	0.43
ISLE OF MAN (0.29%*)		156	0.29
Genting Singapore	315,000	156	0.29
MALAYSIA (2.22%*)		1,343	2.52
AMMB	158,150	157	0.29
Axiata	241,000	185	0.35
Berjaya Sports Toto	144,321	127	0.24
Gamuda	188,700	109	0.20
Gamuda Warrants	23,587	4	0.01
Hong Leong Bank	95,400	167	0.31
IOI	81,200	81	0.15
KLCC Property	92,300	56	0.11
Petronas Gas	43,200	88	0.16
SP Setia	166,600	132	0.25
UMW	101,200	132	0.25
YTL Power International	232,300	105	0.20
NEW ZEALAND (0.26%*)		126	0.24
Sky City Entertainment	91,415	126	0.24
PHILIPPINES (0.36%*)		202	0.38
Globe Telecom	8,400	111	0.21
Philippine Long Distance Telephone	2,550	91	0.17
SINGAPORE (4.53%*)		2,576	4.82
CapitaLand	95,000	166	0.31
CapitaMall Trust***	142,000	128	0.24
City Developments	31,000	156	0.29
DBS	56,609	382	0.72
Fraser and Neave	48,000	115	0.22
Keppel	48,000	205	0.37
Oversea-Chinese Banking	88,000	360	0.68
SembCorp Industries	51,000	100	0.19
Singapore Exchange	36,000	130	0.24
Singapore Technologies Engineering	70,000	107	0.20
Singapore Telecommunications	251,950	353	0.66
United Overseas Bank	42,000	374	0.70

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
SOUTH KOREA (12.51%*)		7,509	14.11
Daelim Industrial	1,851	60	0.11
Daewoo International	7,117	127	0.24
Daewoo Shipbuilding & Marine Engineering	10,390	106	0.20
Hanwha	6,050	117	0.22
Hynix Semiconductor	23,720	350	0.66
Hyundai Development	4,480	60	0.11
Hyundai Heavy Industries	1,449	179	0.34
Hyundai Mobis	2,353	266	0.50
Hyundai Motor	5,066	399	0.75
Hyundai Securities	12,930	80	0.15
KB Financial	10,819	304	0.57
Kia Motors	12,840	229	0.43
Korea Electric Power	10,010	187	0.35
Korea Exchange Bank	16,650	121	0.23
Korea Investment	4,880	85	0.16
KT&G	4,160	138	0.26
LG	3,732	143	0.27
LG Chemical	1,190	185	0.35
LG Electronics	3,401	198	0.37
NHN	1,534	152	0.29
POSCO	904	245	0.46
Samsung C&T	5,110	146	0.27
Samsung Electro-Mechanics	4,325	347	0.65
Samsung Electronics	3,250	1,453	2.73
Samsung Electronics Preference Shares	779	227	0.43
Samsung Fire & Marine Insurance	1,585	163	0.31
Samsung Heavy Industries	8,500	107	0.20
Samsung SDI	2,337	212	0.40
Samsung Techwin	2,373	135	0.25
Shinhan Financial	13,416	328	0.62
Shinsegae	546	147	0.28
SK	1,203	58	0.11
SK Energy	2,817	173	0.32
SK Telecom	1,482	135	0.25
S-Oil	2,410	70	0.13
STX Pan Ocean	11,870	77	0.14

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
TAIWAN (10.62%*)		6,101	11.45
Acer	105,040	181	0.34
Asia Cement	174,070	103	0.19
Cathay Financial	214,000	215	0.40
Chang Hwa Commercial Bank	272,000	74	0.14
Chimei Innolux	246,309	191	0.36
China Development Financial	520,000	91	0.17
China Steel	348,362	227	0.43
Chunghwa Telecom	173,436	228	0.43
Delta Electronics	70,033	150	0.28
First Financial	279,825	99	0.19
Formosa Chemicals & Fibre	115,360	174	0.33
Formosa Plastics	139,100	192	0.36
Fubon Financial	110,000	86	0.16
Hon Hai Precision Industry	237,044	644	1.21
HTC	24,150	225	0.42
Largan Precision	13,260	146	0.27
Macronix International	368,044	164	0.31
MediaTek	16,032	177	0.33
Nan Ya Plastics	190,550	213	0.40
Pou Chen	222,600	116	0.22
Powerchip Semiconductor	1,637,000	147	0.28
ProMOS Technologies	2,659,000	109	0.20
Quanta Computer	95,950	118	0.22
Ruentex Industries	139,000	224	0.42
Taiwan Business Bank	444,000	76	0.14
Taiwan Cement	166,000	96	0.18
Taiwan Cooperative Bank	199,000	78	0.15
Taiwan Glass Industrial	173,040	107	0.20
Taiwan Semiconductor Manufacturing	725,591	914	1.72
Uni-President Enterprises	160,776	113	0.21
United Microelectronics	418,000	129	0.24
Wintek	194,000	92	0.17
Wistron	87,927	99	0.19
Yuanta Financial	282,000	103	0.19
THAILAND (1.34%*)		884	1.66
Bangkok Bank	32,900	80	0.15
Banpu	12,800	155	0.29
Chico-Thai Plantation**	760,000	-	-
IRPC	1,732,600	158	0.30
PTT Exploration & Production	41,700	122	0.23
Ratchaburi Electricity Generating	300	-	-
Siam Cement	35,300	182	0.34
Thai Oil	206,100	187	0.35

Pacific Growth Fund

Portfolio Statement

(continued)

as at 31 May 2010 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
UNITED KINGDOM (0.27%*)		169	0.32
Tanjong	46,900	169	0.32
DERIVATIVES (0.02%*)		(11)	(0.02)
ASX SPI 200 Index Futures June 2010	2	(11)	(0.02)
Portfolio of investments[^]		52,786	99.13
Net other assets		461	0.87
Total net assets		53,247	100.00

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

Any derivative contracts were traded on an eligible derivatives exchange.

* Comparative figures shown in brackets relate to 30 November 2009.

** Unlisted and suspended securities.

*** Real Estate Investment Trust (REIT).

Exchange Traded Fund.

[^] Including derivative liabilities.

Pacific Growth Fund

Summary of Material Portfolio Changes

for the period 1 December 2009 to 31 May 2010 (unaudited)

	Cost £000		Proceeds £000
Total purchases for the period	<u>962</u>	Total sales for the period	<u>2,451</u>
Total purchases		Total sales	
ASX SPI 200 Index Futures March 2010	448	iShares MSCI AC Far East ex-Japan ETF #	1,147
ASX SPI 200 Index Futures June 2010	293	ASX SPI 200 Index Futures March 2010	493
Chunghwa Telecom	220	ASX SPI 200 Index Futures December 2009	449
Gamuda Warrants	1	Chunghwa Telecom	210
		ASX SPI 200 Index Futures June 2010	137
		China Merchants Bank	13
		IOI Corp Bhd	2

Exchange Traded Fund.

Pacific Growth Fund

Statement of Total Return

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Income				
Net capital gains		3,937		10,119
Revenue	694		682	
Expenses	(277)		(191)	
Finance costs: Interest	-		(2)	
Net revenue before taxation	417		489	
Taxation	(35)		(100)	
Net revenue after taxation		382		389
Total return before equalisation		4,319		10,508
Finance costs: Equalisation		(5)		(5)
Change in net assets attributable to shareholders from investment activities		4,314		10,503

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 December 2009 to 31 May 2010 (unaudited)

	01/12/09 to 31/05/10		01/12/08 to 31/05/09	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		51,178		34,076
Amounts receivable on creation of shares	336		1,557	
Less: Amounts payable on cancellation of shares	(2,595)		(2,516)	
		(2,259)		(959)
Dilution levy charged		14		15
Change in net assets attributable to shareholders from investment activities		4,314		10,503
Closing net assets attributable to shareholders		53,247		43,635

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Pacific Growth Fund

Balance Sheet

as at 31 May 2010 (unaudited)

	31/05/10 £000	30/11/09 £000
Assets		
Portfolio of investments	<u>52,797</u>	<u>50,061</u>
Debtors	363	114
Cash and bank balances	<u>184</u>	<u>1,197</u>
Total other assets	<u>547</u>	<u>1,311</u>
Total assets	<u>53,344</u>	<u>51,372</u>
Liabilities		
Derivative liabilities	<u>(11)</u>	<u>-</u>
Creditors	<u>(86)</u>	<u>(194)</u>
Total other liabilities	<u>(86)</u>	<u>(194)</u>
Total liabilities	<u>(97)</u>	<u>(194)</u>
Net assets attributable to shareholders	<u>53,247</u>	<u>51,178</u>

General Information

About OEICs

The Scottish Widows Overseas Growth Investment Funds ICVC (the "Company") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital in which your funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes sourcebook (COLL sourcebook).

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 0845 300 2244 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as UCITS schemes which comply with Chapter 5 of the COLL sourcebook.

The base currency of the Company is sterling, but a class of shares in respect of any sub-fund may be designated in any currency other than sterling.

Shares

The Company currently offers three share classes; Class A, Class B and Class X. Each share class has a different ACD fee.

Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0845 845 0066.

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

Liability

Any shortfall may have to be met out of the assets attributable to one or more sub-funds of the umbrella company where the assets allocated to any sub-fund were insufficient to meet the liabilities attributable to it. 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 period to 31 May 2010 (as noted on page 3). Full terms and conditions are available from the ACD.

Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisors if they are in any doubt about their position.

Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).



As part of the Lloyds Banking Group, Scottish Widows is proud to be an Official Provider of the London 2012 Olympic and Paralympic Games.

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Scottish Widows Unit Trust Managers Limited is authorised and regulated by the Financial Services Authority. Our FSA Register number is 122129.

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