

SCOTTISH WIDOWS
preparation is everything
official pensions and investment provider



Life Funds

Investor's Guide



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Introduction to our range of Life funds

With a comprehensive range of funds from ready-made investment portfolios to specialist funds, Scottish Widows has a wide choice of funds to match different investment needs (for a full list of the Scottish Widows products with access to these funds, please refer to pages 31–32 of this guide). To make it easier to find the right fund for you, our range is grouped into the following categories:

1. Scottish Widows Core Internally Managed Life Funds

Established in 2000, Scottish Widows Investment Partnership (SWIP) manages our range of core Life funds. With over £83.0 billion (as at 31 December 2008) under management, SWIP is one of Europe's largest asset management companies and part of Lloyds Banking Group.

Source: SWIP, February 2009.

2. Scottish Widows With-Profits Funds

We offer three With-Profits Funds, available for investment through specific products. For full details, please read page 4.

3. Scottish Widows Externally Managed Life Funds

Covering a wide range of asset classes, geographical locations, sectors and management styles, our Externally Managed Funds provide all the basic building blocks to create bespoke investment portfolios.

Scottish Widows Core Life Funds



Scottish Widows Investment Partnership (SWIP) is one of the largest asset management companies in Europe.

In total, we manage funds worth £83.0 billion (as at 31 December 2008) for a wide range of UK and international clients including individual investors, investment trusts, charities, financial institutions, corporate and local government pension funds. We are owned by our parent company, Lloyds Banking Group, the largest retail bank in the UK.

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

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

The worldwide markets in which we invest, our international client base and the geographical spread of our business operations reflect the global nature of our business.

Source: SWIP, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
Scottish Widows Adventurous Solution	Specialist	AD
Scottish Widows Balanced Portfolio	Specialist	FX
Scottish Widows Balanced Solution	Specialist	BA
Scottish Widows Cash Fund	Money Market	CA
Scottish Widows Cautious Managed Fund	Cautious (up to 60% Equity) Managed	CM
Scottish Widows Cautious Portfolio	Specialist	FW
Scottish Widows Cautious Solution	Specialist	CS
Scottish Widows Consensus Fund	Flexible (up to 100% Equity) Managed	CN
Scottish Widows Corporate Bond Fund	Sterling Corporate Bond	CB
Scottish Widows Defensive Managed Fund	Defensive (up to 35% Equity) Managed	DM
Scottish Widows Defensive Solution	Specialist	DS
Scottish Widows Discovery Solution	Specialist	DI
Scottish Widows Diversified Assets Fund	Cautious (up to 60% Equity) Managed	DV
Scottish Widows Dynamic Property Fund	Global Property	DP
Scottish Widows Dynamic Solution	Specialist	DY
Scottish Widows Emerging Markets Fund	Global Emerging Markets Equities	EM
Scottish Widows Environmental Fund	UK All Companies	EN

Scottish Widows Core Life Funds (continued)

Funds available	ABI Classification Sector	Fund Short Code
Scottish Widows Ethical Fund	UK All Companies	EF
Scottish Widows European Fund	Europe excluding UK Equities	EE
Scottish Widows European Real Estate Fund	Global Property	RE
Scottish Widows Fixed Interest Fund	UK Gilts	FI
Scottish Widows Global Equity Fund	Global Equities	GL
Scottish Widows High Income Bond Fund	Sterling High Yield	HY
Scottish Widows Indexed Stock Fund	UK Index-Linked Gilts	IS
Scottish Widows International Fund	Global Equities	IN
Scottish Widows Japanese Fund	Japan Equities	JE
Scottish Widows Mixed Fund	Balanced (up to 85% Equity) Managed	MX
Scottish Widows Multi-Manager Global Real Estate Fund	Global Property	MR
Scottish Widows Multi-Manager International Equity Fund	Global Equities	ME
Scottish Widows Multi-Manager UK Equity Focus Fund	UK All Companies	MF
Scottish Widows Multi-Manager UK Equity Growth Fund	UK All Companies	MP
Scottish Widows Multi-Manager UK Equity Income Fund	UK Equity Income	MU
Scottish Widows North American Fund	North America Equities	US
Scottish Widows Opportunities Portfolio	Global Equities	FZ
Scottish Widows Progressive Portfolio	Specialist	FY
Scottish Widows Property Fund	UK Direct Property	PY
Scottish Widows SafetyPlus® Fund	Protected/Guaranteed	FA
Scottish Widows Strategic Income Bond Fund	Sterling Other Fixed Interest	SI
Scottish Widows Strategic Solution Fund	Specialist	SS
Scottish Widows UK Equity Fund	UK All Companies	EQ
Scottish Widows UK Equity Index Fund	UK All Companies	IX
Scottish Widows UK Opportunities Fund	UK All Companies	OP
Scottish Widows UK Real Estate Fund	UK Property Securities	PR

Please see pages 31–32 for more details on the funds available for our life products.

Scottish Widows With-Profits Funds

We offer three with-profits funds, which are available for investment through specific products (please see page 32).

Please note that for each of the three funds, the value of the units isn't directly linked to the market value of the investments. What you get back from investing in these funds depends mainly on the investment profits and losses of the funds and the decisions we make about their distribution, and is only guaranteed in certain circumstances. If units are cashed in at other times, we may apply Market Value Reductions. You could get back less than you invested. Please note that future bonus rates are not guaranteed.

For more information on these three funds, please see the relevant With-Profits guide(s).

Scottish Widows Unitised With-Profits Fund

Our Unitised With-Profits Fund may be suitable for investors who require a combination of long-term growth potential and a measure of security.

Fund	Fund Aim
Scottish Widows Unitised With-Profits Fund	The fund invests in a balanced portfolio of UK and overseas shares, fixed interest and index-linked stocks, property and, where appropriate, cash deposits. However, the value of the units isn't directly linked to the market value of those investments. Instead, it depends on the bonuses and (in some circumstances) Market Value Reductions that Scottish Widows decides.

Scottish Widows With-Profits Growth and With-Profits Income Funds

The Scottish Widows With-Profits Growth Fund has been designed primarily to help you grow your investment.

The Scottish Widows With-Profits Income Fund is structured to deliver income to you from the outset while aiming to maintain the long-term value of your original investment. The level of Natural Income Withdrawals will vary.

Please note that these funds are only available to invest in through our Flexible Options Bond, and for existing With-Profits Bond customers who accept an endorsement to allow the addition of unit-linked funds in the Bond.

Fund	Fund Aim
Scottish Widows With-Profits Growth Fund	The aim of the fund is to help your investment to grow. The core assets of the fund are invested mainly in UK and overseas equities and property, together with some bonds and, where appropriate, cash deposits. There are also some valuable guarantees built into the fund.
Scottish Widows With-Profits Income Fund	The aim of the fund is to deliver income to you from the beginning of your investment whilst still aiming to maintain the long-term value of the investment. The core assets of this fund are invested mainly in corporate bonds and property, with some cash deposits. There are also some valuable guarantees built into the fund.

Scottish Widows Externally Managed Life Funds

For investors who aim to enhance returns by accessing a particular investment style, we offer a broad range of externally managed funds from well-respected external fund managers. The range includes Balanced Managed funds, for investors who may prefer a ready-made investment portfolio, and a large number of specialist funds suitable for investors with specific investment requirements.

Not all funds are available to all products, please see pages 31–32 for more details on the funds available for each of our products.



The Manager

Artemis Investment Management Limited was established in 1997 as a dedicated active investment management house specialising in growing the money of retail investors. Since then, Artemis has established a reputation for strong investment performance during rising as well as falling markets. This is partly due to their investment philosophy which encourages freedom of thought among their managers and allows them to develop an individual style. The company's success has meant it now manages an asset base of some £10.9bn (as at 31 December 2008).

Source: Artemis Investment Management Ltd, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW Artemis UK Growth Fund	UK All Companies	RA
SW Artemis UK Smaller Companies Fund	UK Smaller Companies	RB

BLACKROCK

The Manager

As a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world, BlackRock has a truly global presence in more than 60 countries. They are entrusted with assets of over £900 billion (as at 31 December 2008) and their objective is straightforward – to deliver the long-term returns investors are looking for.

With offices in 22 countries and over 5,000 employees located around the globe, BlackRock can offer in-depth knowledge while leveraging the strength of its global infrastructure to deliver premier investment management solutions. The company's impressive offering was recognised in 2008 with over 160 industry awards received globally.

Source: BlackRock Investment Manager, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW BlackRock Managed Fund	Balanced (up to 85% Equity) Managed	XA
SW BlackRock UK Dynamic Fund	UK All Companies	XB
SW BlackRock UK Smaller Companies Fund	UK Smaller Companies	XC
SW BlackRock UK Special Situations Fund	UK All Companies	XH



The Manager

Established nearly 40 years ago, Fidelity International is committed to delivering superior returns for clients by finding the best global investment opportunities in any prevailing market environment.

Its success in understanding what investors want and delivering superior products is reflected in its remarkable growth – Fidelity International has become one of the UK's largest mutual fund managers and the European leader in pan-European equities with assets under management of \$198 billion (as at 30 September 2008 are those of FIL Limited).

Fidelity International attributes the main reason for success as being its approach to investment, encouraging fund managers to develop their individual flair, while basing every investment choice on rigorous research, the cornerstone of its global investment process.

The independence it enjoys as a privately-owned company enables Fidelity International to take the longer-term view and concentrate on developing innovative products while delivering the highest levels of customer service.

Source: Fidelity International Limited, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW Fidelity American Fund	North America Equities	ZE
SW Fidelity European Fund	Europe excluding UK Equities	ZD
SW Fidelity Global Special Situations Fund	Global Equities	ZL
SW Fidelity Japan Fund	Japan Equities	ZG
SW Fidelity Managed Fund	Balanced (up to 85 % Equity) Managed	ZA
SW Fidelity Multi Asset Strategic Fund	Cautious (up to 60 % Equity) Managed	ZN
SW Fidelity MoneyBuilder Income Fund	Sterling Fixed Interest	Z0
SW Fidelity South-East Asia Fund	Asia Pacific excluding Japan Equities	ZH
SW Fidelity 50:50 Special Situations Fund	Global Equities	ZC
SW Fidelity Special Situations (2006) Fund	UK All Companies	ZK



The Manager

Henderson Global Investors, a leading international investment manager established 75 years ago has come together with the recently acquired New Star Asset Management to create Henderson New Star.

Henderson New Star offers investors the best of both companies with strengths in equities, fixed income, multi-manager, commercial property, and sustainable and responsible investment. The combined talents of these two companies offer a compelling combination of fund management expertise, global resources and corporate stability.

Henderson New Star offers a greater diversity of funds, managed by some of the most talented fund managers in the industry. Although markets remain challenging, Henderson New Star's wide range of funds across different asset classes provides the flexibility to deliver good performance throughout the economic cycle.

Source: Henderson New Star as at May 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW New Star Fixed Interest Fund	Sterling Other Fixed Interest	NF
SW New Star Higher Income Fund	UK Equity Income	NI
SW New Star Managed Distribution Fund	Cautious (up to 60% Equity) Managed	NM
SW New Star UK Property Fund	UK Direct Property	NS
SW New Star UK Alpha Fund	UK All Companies	NA





The Manager

Invesco Perpetual is one of the largest independent investment managers in the UK, currently managing assets on behalf of consumers, intermediaries and professional investors through a broad product range, which includes ICVCs, investment trusts, ISAs, pension products, offshore funds and other specialist mandates.

Invesco Perpetual forms part of Invesco Ltd. With £246.6 billion (as at 31 December 2008) in assets under management and 55 offices worldwide, Invesco Ltd is a leading independent global investment manager, dedicated to helping people worldwide build their financial security. Invesco Ltd strives to deliver outstanding products and services through a comprehensive array of investment solutions for retail and institutional clients around the world.

Source: *Invesco Perpetual as at February 2009.*

Funds available	ABI Classification Sector	Fund Short Code
SW Invesco Perpetual Corporate Bond Fund	Sterling Corporate Bond	VH
SW Invesco Perpetual Distribution Fund	Cautious (up to 60% Equity) Managed	VJ
SW Invesco Perpetual Global Bond Fund	Global Fixed Interest	VI
SW Invesco Perpetual High Income Fund	UK Equity Income	VC
SW Invesco Perpetual Managed Fund	Balanced (up to 85% Equity) Managed	VA



The Manager

Investec Asset Management is a specialist investment manager providing a premier range of portfolio management services and products to institutional and individual investors. Established in 1991, the firm has been built from start-up into an international business managing approximately US\$55 billion (as at 30 September 2008) on behalf of third party clients. Investec has grown from domestic roots in the UK and Southern Africa to a position where they proudly serve a growing international client base from the Americas, Europe, Asia, the Middle East, Australia and Africa. Investec employs over 100 investment professionals.

The firm seeks to create a profitable partnership between clients, shareholders and employees, and to exceed expectations for both client service and performance.

Investec Asset Management is an independently managed subsidiary of Investec Group.

Source: *Investec Asset management as at February 2009.*

Fund available	ABI Classification Sector	Fund Short Code
SW Investec American Fund	North America Equities	IA
SW Investec Cautious Managed Fund	Cautious (up to 60% Equity) Managed	IC
SW Investec Global Free Enterprise Fund	Global Equities	IB

J.P.Morgan

Asset Management

The Manager

J.P.Morgan has over 130 years' experience managing money on behalf of clients around the world. Its global reach, with presence in more than 40 countries, brings expertise in every major asset class, including equities, bonds, property and commodities. This allows J.P.Morgan to offer a choice of strategies to meet a wide range of investors' needs.

J.P.Morgan is the only asset management group to have won Incisive Media's Gold Standard Award six years in a row (2003–2008). This is the only financial services award that recognises service, financial strength, capability, trust and fair value.

Source: *JPMorgan Asset Management, February 2009.*

Funds available	ABI Classification Sector	Fund Short Code
SW JPM Cautious Total Return Fund	Cautious (up to 60% Equity) Managed	YB
SW JPM Emerging Markets Fund	Global Emerging Markets Equities	YF
SW JPM Europe Dynamic (ex UK) Fund	Europe excluding UK Equities	YC
SW JPM Managed Fund	Balanced (up to 85% Equity) Managed	YA
SW JPM Natural Resources Fund	Specialist	YD



The Manager

Jupiter was founded over 20 years ago with the aim of delivering strong performance for investors over the medium to long term through active fund management. This philosophy has helped Jupiter become one of the most respected fund management groups in the UK. At the heart of Jupiter's success are its people. Some of the most highly regarded fund managers in the UK are employed at Jupiter, and a significant proportion of them have worked together for many years, ensuring continuity and lending strength to long-term performance.

Jupiter does not have a single 'house' style, which can prevent managers from following their convictions. Instead, while fund managers work together as a closely-knit team, sharing stock ideas and debating market prospects, they are given individual responsibility for their own portfolios. This strategy has clearly proved its worth over a long period of time.

In 2007, Jupiter completed a management buyout and is now majority-owned by its employees.

Source: *Jupiter Asset Management, February 2009.*

Funds available	ABI Classification Sector	Fund Short Code
SW Jupiter Distribution Fund	Cautious (up to 60% Equity) Managed	JD
SW Jupiter Income Fund	UK Equity Income	JI
SW Jupiter Undervalued Assets Fund	UK All Companies	JU
SW Jupiter UK Growth Fund	UK All Companies	JG

NEWTON

The Power of Ideas

The Manager

Newton Investment Management Limited (Newton) is one of BNY Mellon Asset Management's specialist asset managers. BNY Mellon Asset Management is the asset management arm of The Bank of New York Mellon Corporation – one of the world's largest global financial services companies.

BNY Mellon Asset Management's multi-boutique model encompasses the investment skills of more than 15 world class asset managers and with over US\$928 billion (as at 31 December 2008) of assets under management, it holds a number of market leading positions globally.

Newton is one of the pioneers of global thematic investing and this philosophy has been fundamental in the delivery of strong relative performance in rising and falling markets. The firm terms its investment approach as 'active stock and bond selection within a global framework'. This approach involves the skills of active fund management on a daily basis and recognises that no one market in the world operates independently from activities and developments in others around the globe.

Source: The Bank of New York Mellon Corporation, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW Newton Growth Fund	UK All Companies	TK
SW Newton Higher Income Fund	UK Equity Income	TC
SW Newton International Bond Fund	Global Fixed Interest	TG
SW Newton International Growth Fund	Global Equities	TE
SW Newton Managed Fund	Balanced (up to 85% Equity) Managed	TA
SW Newton Managed Income Fund	Cautious (up to 60% Equity) Managed	TL
SW Newton Oriental Fund	Asia Pacific excluding Japan Equities	TF



The Manager

At Schroders, high quality research and expert portfolio construction are at the heart of what they do. They are a pure fund manager with a continued focus on delivering consistent performance excellence.

In 2008, Schroders' fund management team won the Citywire Team All Stars Awards overall category, the managed asset category and the North American equity category. Schroders' success across 15 investment sectors and four asset classes secured the overall award, which recognises strong performance relative to the sector as well as strong absolute performance.

With £114.7 billion (as at 30 September 2008) of funds under management and a network spanning the globe, Schroders has the perspective and expertise to identify major investment potential.

Schroders has a 200 year history of creating innovative investment opportunities. It's this kind of insight, supported by their trusted heritage that makes Schroders...Schroders.

Source: Schroders, February 2009.

Funds available	ABI Classification Sector	Fund Short Code
SW Schroder European Alpha Plus Fund	Europe excluding UK Equities	UQ
SW Schroder Gilt & Fixed Interest Fund	UK Gilts	UI
SW Schroder Global Property Securities Fund	Global Property	UY
SW Schroder Income Maximiser Fund	UK Equity Income	UN
SW Schroder Managed Fund	Balanced (up to 85 % Equity) Managed	UA
SW Schroder Tokyo Fund	Japan Equities	UE
SW Schroder UK Alpha Plus Fund	UK All Companies	UP
SW Schroder UK Mid 250 Fund	UK All Companies	UJ
SW Schroder US Smaller Companies Fund	North America Equities	UF

Investment approaches at a glance

While there are a number of ways to evaluate risk, the following definitions are used by Scottish Widows to help you decide on the appropriate investment approach for you. These categories are explained in more depth, with examples of investments, in the Investment Guide (Ref. SW70001).

SECURE	CAUTIOUS	BALANCED	PROGRESSIVE	ADVENTUROUS	SPECIALIST
These investments provide safety to the amount invested and can be expected to offer relatively low growth over the medium to long-term. They cannot fall in actual value, but can fall in 'real' value due to the effects of inflation.	These investments are expected to have a relatively modest risk to the capital value and/or income. They have the potential to provide income, and/or, over the medium to long-term, relatively modest capital growth. The capital value may fluctuate, although some products may offer some guarantee of capital protection.	These investments carry a risk of loss to capital value but have the potential for capital growth and/or income over the medium to long-term. Typically they do not have any guarantees and will fluctuate in capital value.	These investments are expected to have a relatively significant risk of loss to capital value, but with the potential of relatively more capital growth over the medium to long-term. They do not offer any guarantees and will fluctuate in capital value.	These investments carry a relatively much higher risk of capital loss but with the potential for relatively higher capital growth over the medium to long-term. They may be subject to a considerable level of fluctuation in capital value. They do not offer any guarantees.	These investments carry a very high risk of capital loss, but with the potential for a higher return over the long-term. They are very volatile and are only suitable for clients who can afford to, and are prepared to, risk the entire capital value. They do not offer any guarantees.



INVESTMENT PERIODS: WE CATEGORISE INVESTMENT PERIODS AS FOLLOWS:

SHORT-TERM: UP TO 5 YEARS, **MEDIUM-TERM:** BETWEEN 5 AND 10 YEARS, **LONG-TERM:** OVER 10 YEARS.

Scottish Widows Life Funds

CAUTIOUS

Scottish Widows Cash Fund
 Scottish Widows Cautious Portfolio Fund
 Scottish Widows Cautious Solution Fund
 Scottish Widows Corporate Bond Fund
 Scottish Widows Defensive Solution Fund
 Scottish Widows Fixed Interest Fund
 Scottish Widows Strategic Income Bond Fund
 SW Fidelity MoneyBuilder Income Fund
 SW Invesco Perpetual Corporate Bond Fund
 SW Invesco Perpetual Global Bond Fund
 SW JPM Cautious Total Return Fund
 SW Newton International Bond Fund
 SW Schroder Gilt & Fixed Interest Fund

BALANCED

Scottish Widows Balanced Portfolio Fund
 Scottish Widows Balanced Solution Fund
 Scottish Widows Cautious Managed Fund
 Scottish Widows Defensive Managed Fund
 Scottish Widows Discovery Solution Fund
 Scottish Widows High Income Bond Fund
 Scottish Widows Indexed Stock Fund
 Scottish Widows Property Fund
 Scottish Widows SafetyPlus® Fund
 Scottish Widows Unitised With-Profits Fund
 Scottish Widows With-Profits Income Fund
 SW Fidelity Multi Asset Strategic Fund
 SW Invesco Perpetual Distribution Fund
 SW Investec Cautious Managed Fund
 SW Jupiter Distribution Fund
 SW New Star Fixed Interest Fund
 SW New Star Managed Distribution Fund
 SW Newton Managed Income Fund

PROGRESSIVE

Scottish Widows Consensus Fund
 Scottish Widows Diversified Assets Fund
 Scottish Widows Dynamic Solution Fund
 Scottish Widows Dynamic Property Fund
 Scottish Widows Mixed Fund
 Scottish Widows Opportunities Portfolio Fund
 Scottish Widows Progressive Portfolio Fund
 Scottish Widows Strategic Solution Fund
 Scottish Widows With-Profits Growth Fund
 SW BlackRock Managed Fund
 SW Fidelity Managed Fund
 SW Invesco Perpetual Managed Fund
 SW JPM Managed Fund
 SW New Star UK Property Fund
 SW Newton Managed Fund
 SW Schroder Managed Fund

ADVENTUROUS

Scottish Widows Adventurous Solution Fund
 Scottish Widows Environmental Fund
 Scottish Widows Ethical Fund
 Scottish Widows European Fund
 Scottish Widows European Real Estate Fund
 Scottish Widows Global Equity Fund
 Scottish Widows International Fund
 Scottish Widows Multi-Manager Global Real Estate Fund
 Scottish Widows Multi-Manager International Equity Fund
 Scottish Widows Multi-Manager UK Equity Focus Fund
 Scottish Widows Multi-Manager UK Equity Growth Fund
 Scottish Widows Multi-Manager UK Equity Income Fund
 Scottish Widows North American Fund
 Scottish Widows UK Equity Fund
 Scottish Widows UK Equity Index Fund
 Scottish Widows UK Opportunities Fund
 Scottish Widows UK Real Estate Fund
 SW Artemis UK Growth Fund
 SW Artemis UK Smaller Companies Fund
 SW BlackRock UK Dynamic Fund
 SW BlackRock UK Smaller Companies Fund
 SW BlackRock UK Special Situations Fund
 SW Fidelity American Fund
 SW Fidelity European Fund
 SW Fidelity Global Special Situations Fund
 SW Fidelity Special Situations (2006) Fund
 SW Fidelity 50:50 Special Situations Fund
 SW Invesco Perpetual High Income Fund
 SW Investec American Fund
 SW Investec Global Free Enterprise Fund
 SW JPM Europe Dynamic (ex UK) Fund
 SW Jupiter Income Fund
 SW Jupiter UK Growth Fund
 SW Jupiter Undervalued Assets Fund
 SW New Star Higher Income Fund
 SW New Star UK Alpha Fund
 SW Newton Higher Income Fund
 SW Newton Growth Fund
 SW Newton International Growth Fund
 SW Schroder European Alpha Plus Fund
 SW Schroder Global Property Securities Fund
 SW Schroder Income Maximiser Fund
 SW Schroder UK Alpha Plus Fund
 SW Schroder UK Mid 250 Fund

SPECIALIST

Scottish Widows Emerging Markets Fund
 Scottish Widows Japanese Fund
 SW Fidelity Japan Fund
 SW Fidelity South East Asia Fund
 SW JPM Emerging Markets Fund
 SW JPM Natural Resources Fund
 SW Newton Oriental Fund
 SW Schroder Tokyo Fund
 SW Schroder US Smaller Companies Fund

We may change the selection of funds that we make available. Please be aware that the definitions or investment approach rating for specific funds may change in the future.

Life Funds Information

The Scottish Widows unit-linked funds aim to provide long-term growth in the price of units. This is generated by a combination of capital growth as well as income that is added to the fund.

A proportion of each unit-linked fund may be held in cash to provide liquidity or while awaiting suitable investments.

The Scottish Widows unit-linked funds can invest in other unit-linked funds or in collective investment schemes (for example Open Ended Investment Companies (OEICs) or unit trusts) to achieve exposure to meet the stated fund aims.

The individual aims of the Scottish Widows Life funds currently available are shown on pages 16–30.

Full terms and conditions are available on request from Scottish Widows. Charges, terms and limits may change.

The value of an investment is not guaranteed and can go up and down depending on investment performance (and currency exchange rates where a fund invests overseas).

There may be restrictions on the amount you can invest in certain funds. Please contact us for details of any restrictions that apply. We may change the selection of funds that we make available.

We reserve the right to delay a request to sell your units in certain circumstances. The period of delay will not be more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases. This may happen in exceptional circumstances where, for example, there is an unusually high demand for units to be cashed in. For more details please see the relevant Policy Provisions for your investment with us.

Where any of the following general risks apply to a fund, they will be indicated beside the Aims of the fund shown in the next section. Any specific risks associated with a fund will also be shown here.

(EQ)

This fund invests in company shares (often referred to as ‘equities’). Investing in company shares generally has the potential for higher capital growth over the longer term than investing in say, corporate bonds and other fixed interest securities. However there might be considerable fluctuations in equity prices and there is a greater risk that the value of the investment will fall.

(FI)

Some of the fixed interest securities in which this fund invests might default or their credit rating might fall. The value of those investments will usually fall should an issuer default or receive a reduced credit rating. Fluctuations in interest rates are likely to affect the value of the fixed interest securities held by the fund. If long-term interest rates rise, the value of the units is likely to fall and vice versa.

(FIG)

This fund may invest more than 35% in fixed interest government or public securities issued by a single issuer. There could be a risk, for example, that they can’t repay the amount borrowed. If they don’t repay, the value of the fund will fall.

(FIS)

The issuers of some of the securities in which this fund invests might default or their credit rating might fall. The value of those investments will usually fall should an issuer default or receive a reduced credit rating. Fluctuations in interest rates are likely to affect the value of the securities held by the fund. If long-term interest rates rise, the value of the units is likely to fall and vice versa.

(HY)

This fund invests in high yielding fixed interest securities, which carry an increased risk of default and, for which, there is a higher risk that the issuer’s credit rating may fall. The value of these investments will usually fall should an issuer default or receive a reduced credit rating or should the likelihood of these events increase.

OS

Exchange rate changes might cause the value of any overseas investment to go up or down.

SP

This fund has a select portfolio, which has a limited number of stocks. By investing in a select portfolio there might be greater fluctuations in the value of the units than with a wider portfolio.

EM

This fund invests in emerging markets so might invest in stockmarkets which are generally less well regulated than those in the UK. This may result in a greater risk that the value of the units might go down. The investments in these markets might also be bought and sold infrequently therefore resulting in large changes in their prices.

SC

This fund invests in smaller companies whose shares tend to be bought and sold less frequently than larger companies. There may be large changes in the prices of their shares and their value could fall by large amounts. The price variations of smaller companies might be greater than those of large companies.

PY

This fund invests in property and land. This can be difficult to sell, so it may not be possible to cash in the investment when you want to. We may have to delay acting on your instructions to sell the investment. The value of property is generally a matter of a valuer's opinion rather than fact and values can go up or down. Property transactions tend to be larger and more complex than for other asset classes. As a result the proportion of cash held while awaiting suitable investment opportunities could be greater than for other funds.

PYS

Property is a less liquid asset than other assets such as fixed interest securities or equities and values could be affected if properties need to be sold in a short timescale. Property valuation is generally a matter of judgement by an independent valuer rather than fact and values can go up or down.

This section lists each fund within its ABI sector. These sectors are designed by the Association of British Insurers and aim to group funds with similar characteristics and can help investors compare funds.

Asia Pacific excluding Japan Equities Sector

Fund	Fund Aim	Fund Risks
SW Fidelity South-East Asia Fund	The fund aims for long-term growth from a portfolio made up of the shares of companies throughout the Pacific Basin (but excluding Japan) by investing solely in the Fidelity South-East Asia OEIC fund. There is likely to be a bias towards larger companies.	EQ OS EM
SW Newton Oriental Fund	The fund aims for long-term growth from Asian and Pacific Markets including Australia and New Zealand but excluding Japan. Investment is solely through the Newton Oriental OEIC fund.	EQ OS EM

Balanced (up to 85 % Equity) Managed Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Mixed Fund	The fund aims to achieve long-term growth by investing in a mixed portfolio of UK and overseas company shares, fixed interest stocks, index-linked stocks, property and cash deposits. The fund is likely to invest mainly in company shares and property.	EQ FIS OS
SW BlackRock Managed Fund	The fund aims for long-term growth through a global spread of investments, but generally with an emphasis on the UK. Investment is through unit trusts managed by BlackRock Investment Managers.	EQ OS FI
SW Fidelity Managed Fund	The fund aims for long-term growth from a portfolio of Fidelity's equity and bond funds which are invested across a broad range of the world's markets, ensuring exposure to a diversified range of equity and bond markets.	EQ OS FI
SW Invesco Perpetual Managed Fund	The fund aims for long-term growth by adopting a highly diversified approach to investment. The portfolio is structured from a number of Invesco Perpetual funds, ensuring exposure to a wide range of equity and bond markets.	EQ OS FI
SW JPM Managed Fund	The fund aims for long-term growth by investing solely in pooled funds managed by JP Morgan Asset Management. The portfolio consists mainly of stocks and shares, both in the UK and overseas, as well as Government bonds and cash.	EQ OS FI
SW Newton Managed Fund	The fund aims for long-term growth from a balance between capital growth and income from a portfolio of UK and international securities. The fund invests in a range of Newton OEIC funds.	EQ OS FI
SW Schroder Managed Fund	The fund aims for long-term growth from a balanced exposure to UK and overseas company shares and fixed interest securities through a range of Schroder authorised unit trusts.	EQ OS FI

Cautious (up to 60% Equity) Managed Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Cautious Managed Fund	The fund aims for long-term growth by investing in a diversified portfolio of mainly UK equities, and government and corporate fixed interest securities, including some investment in higher risk securities. It also invests in property.	EQ FI HY PY
Scottish Widows Diversified Assets Fund	<p>The Fund aims to achieve a total return of cash (Bank of England Base Rate) plus 3.25% p.a. over the long term, gross of fees and tax (where applicable). Risk is managed by diversifying the fund's holdings across a range of asset classes and geographic regions. The Fund's holdings will vary over time to reflect the market view of the fund manager. Investments will include exposure to equities, fixed interest securities, money market instruments and cash deposits. The exposure may be achieved either directly or indirectly through other funds such as collective investment schemes.</p> <p>The Fund may also gain indirect exposure to alternative asset classes (such as property, private equity and permitted commodities) through investment in units and/or shares of funds, companies and other vehicles which invest in such assets.</p> <p>The Fund may also invest in hedge and absolute return type funds.</p> <p>In certain market conditions, all of the assets of the Fund may at any time consist of fixed interest securities, money market instruments and cash deposits depending on the views of the fund manager.</p>	EQ FI HY FIG EM OS Specific risk This fund may invest in shares which tend to be bought and sold less frequently than those of large companies. There may be large changes in the prices of their shares and their value could fall by large amounts. The price variations of these shares might be greater than those of large companies.
SW Fidelity Multi Asset Strategic Fund	Fidelity describes their fund's aim as follows: The fund's investment objective is to achieve long-term capital growth by investing in a range of global assets providing exposure to bonds, equities, commodities, property and cash. The fund will invest primarily through other regulated collective investment schemes, including schemes managed by Fidelity, and may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.	EQ FI EM OS Specific risk The fund uses derivatives and forward transactions for specific investment purposes, as well as for hedging and other efficient portfolio management purposes. Their use may lead to higher volatility.
SW Invesco Perpetual Distribution Fund	The fund aims for long-term growth from a balance of income (which is added to the fund) and capital growth through a portfolio of primarily UK fixed interest securities and equities. A significant proportion of the fund will be in higher risk non-investment grade securities. The fund managers may include other investments that they consider appropriate, which may include units in collective investment schemes, warrants and other permitted investments and transactions. Investment is solely through the Invesco Perpetual Distribution Fund.	EQ FI HY
SW Investec Cautious Managed Fund	The fund aims for long-term growth by investing in a diversified portfolio of equities, bonds and other fixed interest securities. At all times the fund's equity exposure will be limited to a maximum of 60% of the portfolio value. Investment is solely through the Investec Cautious Managed OEIC.	EQ FI
SW JPM Cautious Total Return Fund	The fund aims for long-term growth by investing primarily in fixed interest securities, convertible bonds, equities and short-term securities which aim to achieve higher returns than those available from money market instruments denominated in Sterling. The fund may invest in any country including emerging countries. Alternatively, the fund may invest up to 100% in cash and cash equivalents or in government and other public securities. Asset and country allocations may vary over time to reflect market conditions and opportunities. Investment is solely through the JPM Cautious Total Return Fund.	EQ FI OS

Cautious (up to 60% Equity) Managed Sector (continued)

Fund	Fund Aim	Fund Risks
SW Jupiter Distribution Fund	The fund aims for long-term growth by investing in an actively balanced portfolio of bonds and higher yielding securities (mainly UK equities). The portfolio will contain a minimum of 60% invested in bonds. Investment is solely through the Jupiter Distribution Fund Unit Trust.	EQ FI HY
SW New Star Managed Distribution Fund	The fund aims for long-term growth mainly through investment in fixed interest securities and in equities both in the UK and internationally. Investment is solely through the New Star Managed Distribution OEIC fund.	EQ FI HY OS
SW Newton Managed Income Funds	Newton describe their fund's aims as follows: The fund aims to achieve a high level of income with the potential for capital growth. Exposure to UK and international equities and bonds is gained through investment in a range of funds for which Newton Investment Management Limited is the investment adviser. Please note: The Scottish Widows unit-linked funds aim to provide long term growth in the price of units. Any income generated will not be distributed, but added to the fund value.	EQ FIS OS HY

Defensive (up to 35% Equity) Managed Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Defensive Managed Fund	The fund aims for long-term growth by investing in a diversified portfolio of mainly UK government fixed interest securities and corporate bonds, but with a significant proportion in UK equities. It also invests in property.	EQ FI PY

Europe excluding UK Equities

Fund	Fund Aim	Fund Risks
Scottish Widows European Fund	The fund aims to achieve long-term growth by investing mainly in continental European company shares.	EQ OS
SW JPM Europe Dynamic (ex UK) Fund	JPMorgan describe their fund's aim as follows: To maximise long-term capital growth by investing primarily in continental European equities.	EQ OS
SW Fidelity European Fund	The fund aims for long-term growth from a portfolio made up mainly of the shares of continental European companies. The focus is likely to be towards smaller and medium-sized companies. Investment is solely through the Fidelity European OEIC fund.	EQ OS
SW Schroder European Alpha Plus Fund	Schroders describe their fund's aim as follows: The fund aims to provide capital growth through investment in European and other companies. The emphasis of the scheme is to invest in European companies. The scheme may also invest in companies headquartered or quoted outside Europe where those companies have material or critical operations within or derive significant business from Europe. Fixed interest securities may be included in the portfolio.	EQ OS

Flexible (up to 100% Equity) Managed Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Consensus Fund	The fund aims to achieve long-term growth by investing in a balanced portfolio of UK and overseas company shares, fixed interest stocks, index-linked stocks and cash deposits. Investment in these assets is made through a range of index-tracking funds, or where appropriate, through direct investment, again on an index-tracking basis. The percentage of the fund invested in each asset class will be based on the average amount invested in each class in accordance with a benchmark of UK balanced funds.	EQ FIS OS

Global Emerging Markets Equities Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Emerging Markets Fund	The fund aims to achieve long-term growth by investing mainly in shares of companies operating in developing countries worldwide.	EQ EM OS
SW JPM Emerging Markets Fund	JPMorgan describe their fund's aim as follows: To achieve long-term capital growth by investing primarily in the securities of companies quoted or trading in countries where there is an emerging market or in closed-ended vehicles which invest primarily in such securities. The fund may also purchase fixed interest securities.	EQ EM OS

Global Equities Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Global Equity Fund	The fund aims to achieve long-term growth by investing mainly in company shares in any economic sector in any geographical area including the UK.	EQ OS
Scottish Widows International Fund	The fund aims to achieve long-term growth by investing mainly in overseas company shares. The fund may invest in some UK-based companies with international interests. The fund can also invest in fixed interest securities.	EQ FI OS
Scottish Widows Multi-Manager International Equity Fund	The fund aims to achieve long-term growth by investing in a diversified portfolio of mainly equities issued by companies across the world, excluding the UK. The portfolio's investments will be managed by a number of fund managers. Fund managers are selected and assets are allocated in conjunction with Russell Investment Group.	EQ OS
Scottish Widows Opportunities Portfolio	The fund aims to achieve long-term growth by investing mainly in multi-manager funds. The fund will invest at least 80% in equity funds with a low proportion in fixed interest security funds (the fixed interest security funds will invest mainly in high quality fixed interest securities, including corporate bonds). The equity and fixed interest security funds will invest in UK and overseas markets. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group. Exposure to the multi-manager funds is currently provided through the Scottish Widows Opportunities Portfolio OEIC Fund although investment may be made through other unit-linked funds, collective investment schemes, or directly to meet the stated fund aims.	EQ FI OS

Global Equities Sector (continued)

Fund	Fund Aim	Fund Risks
<p>SW Fidelity 50:50 Special Situations Fund</p> <p>Formerly known as SW Fidelity Special Situations Fund</p>	<p>The fund aims to achieve long-term growth from a portfolio primarily made up of the shares of companies around the world, but with a bias towards the UK. The fund is invested approximately 50% in the Fidelity Special Situations Fund and 50% in the Fidelity Global Special Situations Fund.</p> <p>Investments are not restricted by company size, industry or geographic region and will largely be determined by the availability of attractive investment opportunities. The Fund may also invest in other types of transferable securities (such as fixed interest securities), units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used to assist in the efficient management of the portfolio or with the aim of enhancing returns.</p>	<p>EQ SC OS EM</p> <p>Specific risk</p> <p>Fidelity employs a risk management process to oversee and manage derivative exposure within the Fund. The use of derivative techniques in this Fund has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed, and derivatives held may at times lead to increased price volatility. As such investors should be prepared to accept above average volatility and risk that derivative related investment can create.</p>
<p>SW Fidelity Global Special Situations Fund</p>	<p>The fund aims to achieve long-term growth from a portfolio primarily made up of the shares of companies around the world. Investments are not restricted by company size, industry or geographic region and will largely be determined by the availability of attractive investment opportunities. The fund may also invest in other types of transferable securities (such as fixed interest securities), units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used to assist in the efficient management of the portfolio or with the aim of enhancing returns.</p>	<p>EQ EM OS SC</p> <p>Specific risk</p> <p>Fidelity employs a risk management process to oversee and manage derivative exposure within the Fund. The use of derivative techniques in this Fund has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed, and derivatives held may at times lead to increased price volatility. As such investors should be prepared to accept above average volatility and risk that derivative related investment can create.</p>
<p>SW Investec Global Free Enterprise Fund</p>	<p>Investec describe their fund's aim as follows: The fund aims to achieve long term capital growth primarily through investment in equities issued by companies around the globe that are expected to benefit from the process of privatisation, deregulation or demutualisation or otherwise believed to offer above average opportunities for capital gains.</p>	<p>EQ EM OS</p>
<p>SW Newton International Growth Fund</p>	<p>The fund aims for long-term growth from a portfolio of international securities. Investment is solely through the Newton International Growth OEIC fund.</p>	<p>EQ EM OS</p>

Global Fixed Interest Sector

Fund	Fund Aim	Fund Risks
<p>SW Invesco Perpetual Global Bond Fund</p>	<p>The fund aims for long-term growth by investing mainly in international bonds of differing interest yields and maturities – and may include debentures, loan stock and other instruments that the Fund Manager considers appropriate. The fund invests solely through the Invesco Perpetual Global Bond OEIC Fund.</p>	<p>FI EM FIG OS</p>
<p>SW Newton International Bond Fund</p>	<p>The fund aims for long-term total return from income and capital growth in the world bond markets. The fund invests solely through the Newton International Bond OEIC Fund.</p>	<p>FI EM FIG OS</p>

Global Property Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Dynamic Property Fund	The fund aims to achieve long-term growth. It does this by investing primarily in funds within the Lloyds TSB Group, which invest in a portfolio of commercial property and shares of listed companies and other investments. The fund can also invest a significant proportion in individual real estate securities, including real estate investment trusts (REITs). The activities of the fund's investments include the ownership, management and/or development of real estate. The fund will be invested both in the UK and overseas.	EQ OS Specific risk Due to the specialist nature of its investments, the fund may at times experience difficulty in realising its underlying holdings which may affect the prices that can be obtained.
Scottish Widows European Real Estate Fund	The fund aims to achieve long-term growth by investing principally in a portfolio of companies whose activities include the ownership, management or development of real estate in Europe including the UK.	EQ OS
Scottish Widows Multi-Manager Global Real Estate Fund	The fund aims to achieve long-term growth by investing principally in a globally diversified portfolio of shares of listed companies, real estate investment trusts (REITs) and other investments, the activities of which include the ownership, management and/or development of global real estate. The portfolio's investments will be managed by a number of fund managers. Fund managers are selected and assets are allocated in conjunction with Russell Investment Group.	EQ OS
SW Schroder Global Property Securities Fund	The fund aims to achieve long-term growth primarily through investment in real estate investment trusts (REITs) and other investments, the activities of which include the ownership, management and/or development of global real estate.	EQ OS

Japan Equities Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Japanese Fund	The fund aims to achieve long-term growth by investing mainly in Japanese company shares.	EQ OS
SW Fidelity Japan Fund	The fund aims for long-term growth from a portfolio consisting mainly of the shares of Japanese companies by investing solely in the Fidelity Japan OEIC fund. The portfolio is likely to have a bias towards larger companies.	EQ OS
SW Schroder Tokyo Fund	The fund aims for long-term growth by investing in Japanese company shares. The Fund Manager focuses on companies with a proven track record and profits growth prospects which are not fully reflected in the current share price relative to other companies. Investment is solely through the Schroder Tokyo Unit Trust.	EQ OS

Money Market Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Cash Fund	The fund aims to provide long-term growth consistent with high levels of capital security by investing mainly in short-term securities.	n/a

North America Equities Sector

Fund	Fund Aim	Fund Risks
Scottish Widows North American Fund	The fund aims to achieve long-term growth by investing mainly in North American company shares.	EQ OS
SW Fidelity American Fund	The fund aims for long-term growth from a portfolio consisting mainly of US company shares by investing solely in the Fidelity American OEIC fund. There is likely to be a bias towards larger and medium-sized companies.	EQ OS
SW Investec American Fund	Investec describe their fund's aim as follows: The fund aims to achieve long term capital growth primarily through investment in a portfolio of equities issued by USA companies.	EQ OS SP
SW Schroder US Smaller Companies Fund	The fund aims for long-term growth from a portfolio of companies listed on the US and Canadian stockmarkets by investing solely in the Schroder US Smaller Companies Unit Trust.	EQ OS SC

Protected/Guaranteed Sector

Fund	Fund Aim	Fund Risks
Scottish Widows SafetyPlus® Fund	The fund aims to achieve long-term growth by investing mainly in shares of companies included in the FTSE 100 Index. It uses part of the potential return to provide protection against large stockmarket falls. A Safety Price is set from time to time (usually yearly), at 95% of the unit price at the time, and provides a minimum price if you sell units during the relevant "Safety Period". The SafetyPlus® Fund is not a guaranteed fund, although it does offer limited risk as well as growth potential.	EQ Specific risks The value of units in the SafetyPlus® Fund may change on a daily basis and may fall as well as rise. The techniques we use to provide the Safety Price incur a cost. The effect of this cost is that, in the long-term, growth is likely to be lower than would be achieved without the protection of the Safety Price. The Safety Price is guaranteed currently by a small number of major financial institutions and is dependent on each of these third parties meeting its obligations.

Sterling Corporate Bond Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Corporate Bond Fund	The fund aims to achieve long-term growth by investing primarily in high quality, investment grade corporate bonds and other fixed interest securities issued by companies in the UK and Europe.	FI FIG
SW Invesco Perpetual Corporate Bond Fund	The fund aims for long-term growth by investing mainly in fixed interest securities. The Fund Manager may also include other investments he considers appropriate. The fund invests solely through the Invesco Perpetual Corporate Bond OEIC fund.	FI FIG OS

Sterling Fixed Interest Sector

Fund	Fund Aim	Fund Risks
SW Fidelity MoneyBuilder Income Fund	<p>Fidelity describe their fund's aim as follows: The fund is managed to achieve an attractive level of income from a portfolio primarily invested in sterling denominated fixed-interest securities.</p> <p>Please note: the Scottish Widows unit-linked funds aim to provide long term growth in the price of units. Any income generated will not be distributed, but added to the fund value.</p>	FI HY FIG

Sterling High Yield Sector

Fund	Fund Aim	Fund Risks
Scottish Widows High Income Bond Fund	The fund aims to achieve long-term growth by investing primarily in fixed interest securities issued by companies and governments in the USA, the UK and Europe, the majority of which will be higher risk, non-investment grade securities.	FI FIG OS HY

Sterling Other Fixed Interest Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Strategic Income Bond Fund	The fund aims to achieve long-term growth by investing primarily in UK and European corporate bonds and other fixed interest securities. The majority of securities will be high quality, investment grade, but a significant proportion will be higher risk securities.	FI FIG OS HY
SW New Star Fixed Interest Fund	New Star describe their fund's aim as follows: To achieve a high yield. The fund will invest principally in fixed interest securities including preference shares.	FI FIG HY OS

UK All Companies Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Environmental Fund	The fund aims to achieve long-term growth by investing in companies that demonstrate a positive commitment to the protection and preservation of the natural environment. Investment will be mainly in UK company shares.	EQ

UK All Companies Sector (continued)

Fund	Fund Aim	Fund Risks
Scottish Widows Ethical Fund	The fund aims to achieve long-term growth by investing in companies with positive ethical practices. Stock selection is based on a screening process using criteria agreed between Scottish Widows Investment Partnership and an independent advisory body. Investment will be mainly in UK company shares. For example the fund's investments might include companies which have a high proportion of their turnover coming from safety equipment, healthcare or environmental technology, or which are active in the community. Companies that are likely to be excluded are those, for example, which produce alcohol or tobacco, provide animal testing services or those which own or operate nuclear power stations.	EQ
Scottish Widows Multi-Manager UK Equity Focus Fund	The fund aims to achieve long-term growth by investing in a select portfolio of mainly UK equities. The fund will normally hold fewer stocks than our other Multi-Manager UK equity funds. The portfolio's investments will be managed by a number of fund managers. Fund managers are selected and assets are allocated in conjunction with Russell Investment Group.	EQ SP
Scottish Widows Multi-Manager UK Equity Growth Fund	The fund aims to achieve long-term growth by investing in a diversified portfolio of mainly UK equities. The portfolio's investments will be managed by a number of fund managers. Fund managers are selected and assets are allocated in conjunction with Russell Investment Group.	EQ
Scottish Widows UK Equity Fund	The fund aims to achieve long-term growth by investing mainly in UK company shares.	EQ
Scottish Widows UK Equity Index Fund	The fund aims to achieve long-term growth by investing in a portfolio that aims to track the capital performance of the UK Equity market currently as represented by the FTSE 100 Index. The fund will invest mainly in company shares.	EQ
Scottish Widows UK Opportunities Fund	The fund aims to achieve long-term growth by investing mainly in a select portfolio of UK company shares.	EQ SP
SW Artemis UK Growth Fund	The fund aims for long-term growth by investing in UK companies. Investment is solely through the Artemis UK Growth Unit Trust.	EQ
SW BlackRock UK Dynamic Fund	The fund aims for long-term growth from a portfolio consisting mainly of quoted UK company shares. Investment is solely through the BlackRock UK Dynamic Unit Trust.	EQ SC
SW BlackRock UK Special Situations Fund	BlackRock describe their fund's aim as follows: The aim of the fund is to achieve long-term capital growth for investors. The fund invests primarily in the shares of companies incorporated or listed in the UK and will normally have an emphasis on small or medium sized companies. The fund may also invest in collective investment schemes. Small and medium sized companies are those whose market capitalisation is lower than that of companies in the FTSE 100 Index at the time of the fund's investment.	EQ SC

UK All Companies Sector (continued)

Fund	Fund Aim	Fund Risks
SW Fidelity Special Situations (2006) Fund	The fund aims to achieve long-term growth from a portfolio primarily made up of UK company shares. The fund may also have some overseas exposure. Investments are not restricted by company size or industry and will largely be determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities (such as fixed interest securities), units in collective investments schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used to assist in the efficient management of the portfolio or with the aim of enhancing returns.	<p>EQ SC</p> <p>Specific risk</p> <p>Fidelity employs a risk management process to oversee and manage derivative exposure within the SW Fidelity Special Situations (2006) Fund. The use of derivative techniques in this fund has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed, and derivatives held may at times lead to increased price volatility. As such investors should be prepared to accept above average volatility and risk that derivative related investment can create.</p>
SW Jupiter UK Growth Fund	The fund aims for long-term growth by investing, mainly in UK equities, in any economic sector. Investment is solely through the Jupiter UK Growth Unit Trust.	EQ
SW Jupiter Undervalued Assets Fund	The fund aims for long-term growth by investing in companies which are assessed to have recovery potential. Investment will primarily be in UK equities with the potential for some overseas exposure, although the fund may also invest in cash and fixed interest securities. Investment is solely through the Jupiter Undervalued Assets Unit Trust.	EQ FI
SW New Star UK Alpha Fund	The fund aims for long-term growth through a relatively concentrated portfolio principally investing in UK equities. Investment is solely through the New Star UK Alpha OEIC fund.	EQ SP
SW Newton Growth Fund	The fund aims to achieve long-term growth by investing principally in a select portfolio of UK company shares, and may have a small exposure to international equity and bond markets. The fund may also invest in collective investment schemes.	EQ SP SC
SW Schroder UK Alpha Plus Fund	The fund aims for long-term growth through investment mainly in UK equities. The fund will invest in a focused portfolio of between 20 and 40 stocks. Investment is solely through the Schroder UK Alpha Plus Unit Trust.	EQ SP
SW Schroder UK Mid 250 Fund	The fund aims for long-term growth by investing mainly in the shares of the medium-sized companies listed on the FTSE Mid 250 Index. Investment is solely through the Schroder UK Mid 250 Unit Trust.	EQ

UK Direct Property Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Property Fund	The fund aims to achieve long-term growth by investing mainly in high-quality freehold and long leasehold commercial and industrial properties. Property transactions tend to be larger and more complex than for other asset classes. As a result the proportion of cash held while awaiting suitable investment opportunities could be greater than for other funds.	(PY)
SW New Star UK Property Fund	The fund aims to achieve long-term growth through investment primarily in UK commercial property and shares of listed companies and other investments, the activities of which include the ownership, management and/or development of UK real estate.	(PY) (EQ) Specific risk Due to the specialist nature of its investments, the fund at times may experience difficulty in realising its underlying holdings which may affect the prices that can be obtained.

UK Equity Income Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Multi-Manager UK Equity Income Fund	The fund aims to achieve long-term growth by investing in a portfolio of mainly UK equities which have an above average dividend income. The portfolio's investments will be managed by a number of fund managers. Fund managers are selected and assets are allocated in conjunction with Russell Investment Group.	(EQ)
SW Invesco Perpetual High Income Fund	The fund aims for long-term growth by investing mainly in high yielding international securities (company shares, convertible securities and fixed interest securities), although it may include other investments that the Fund Manager considers appropriate. The fund invests solely through the Invesco Perpetual High Income OEIC fund.	(EQ) (FI) (HY)
SW Jupiter Income Fund	The fund aims for long-term growth from a portfolio chiefly invested in UK equities, although with some overseas exposure. The fund may also invest in fixed interest stocks. Investment is solely through the Jupiter Income Unit Trust.	(EQ) (FI) (OS)
SW New Star Higher Income Fund	The fund aims for long-term growth principally through investment in UK equities. Investment is solely through the New Star Higher Income OEIC fund.	(EQ)
SW Newton Higher Income Fund	The fund aims for long-term total return from increasing levels of income from one year to the next along with long-term capital growth from the underlying assets, through investment solely in the Newton Higher Income OEIC fund.	(EQ) (SP)
SW Schroder Income Maximiser Fund	The fund aims to receive a high level of income with the potential for capital growth by investing mainly in a select portfolio of shares of attractively priced companies that pay high, sustainable dividends. These are likely to be mature, well-established organisations. It uses 'options' to exchange part of the potential capital growth to enhance the income received by the fund.	(EQ) (SP) Specific risk The fund uses options to enhance the fund's income which may have the effect of limiting capital growth.

UK Gilts Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Fixed Interest Fund	The fund aims to achieve long-term growth by investing mainly in UK fixed interest securities. The fund may also invest in overseas fixed interest securities.	FI FIG OS
SW Schroder Gilt & Fixed Interest Fund	The fund aims for long-term growth which reflects the underlying gilt market. The majority of the portfolio is invested in gilts, although it also invests in sterling bonds issued by organisations with high credit ratings. Investment is solely through the Schroder Gilt & Fixed Interest Unit Trust.	FI FIG

UK Index-Linked Gilts Sector

Fund	Fund Aim	Fund Risks
Scottish Widows Indexed Stock Fund	The fund aims to achieve long-term growth by investing mainly in UK index-linked securities.	<p>FIS</p> <p>Specific risk</p> <p>More than 35 % of the fund may be invested in securities issued by a single government. If they can't repay the amount borrowed, the value of the investment will fall.</p>

UK Property Securities

Fund	Fund Aim	Fund Risks
Scottish Widows UK Real Estate Fund	The fund aims for long-term growth by investing principally in a select portfolio of shares of listed companies and other investments, the activities of which include the ownership, management and/or development of UK real estate.	<p>EQ SP</p> <p>Specific risks</p> <p>Due to the specialist nature of its investments, the fund at times may experience difficulty in realising its underlying holdings which may affect the prices that can be obtained.</p>

UK Smaller Companies Sector

Fund	Fund Aim	Fund Risks
SW Artemis UK Smaller Companies Fund	The fund aims for long-term growth by investing in UK smaller companies. Investment is solely through the Artemis UK Smaller Companies Unit Trust.	EQ SC
SW BlackRock UK Smaller Companies Fund	The fund aims for long-term growth by investing in UK smaller companies which the Fund Manager considers to have above-average long-term growth prospects. The fund invests solely through the BlackRock UK Smaller Companies Unit Trust.	EQ SC



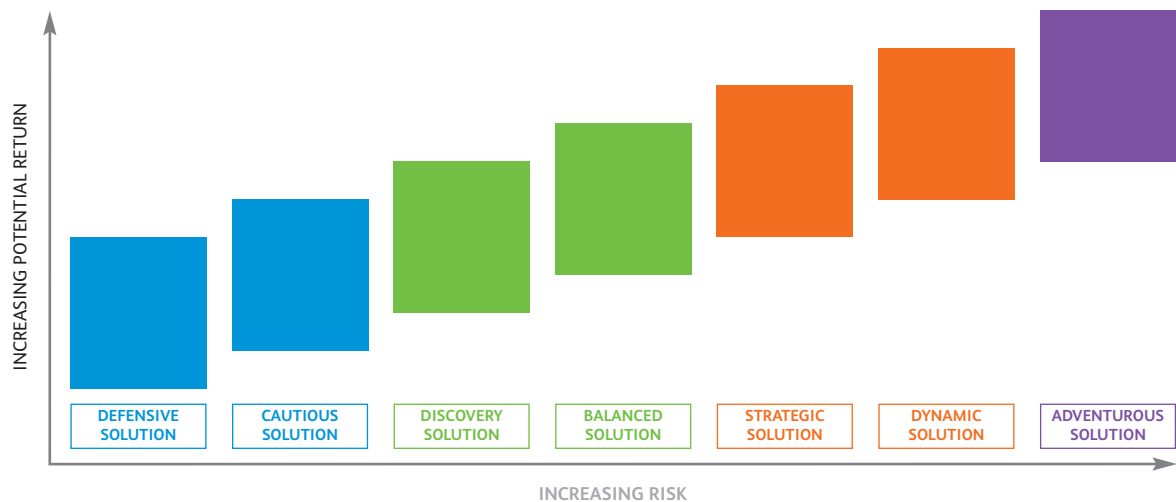
Specialist Sector

The following funds are in the Specialist sector because they do not meet any existing sector criteria or because comparison of the fund to a sector would not be relevant.

Fund	Fund Aim	Fund Risks
Scottish Widows Balanced Portfolio	The fund aims to achieve long-term growth by investing mainly in multi-manager funds. The fund will invest in a balance of equity and fixed interest security funds (these fixed interest security funds will invest mainly in high quality fixed interest securities, including corporate bonds). The equity and fixed interest security funds will invest in UK and overseas markets. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group. Exposure to the multi-manager funds is currently provided through the Scottish Widows Balanced Portfolio OEIC Fund although investment may be made through other unit-linked funds, collective investment schemes, or directly to meet the stated fund aims.	EQ FI OS
Scottish Widows Cautious Portfolio	The fund aims to achieve long-term growth by investing mainly in multi-manager funds. The fund will invest at least 80% in fixed interest security funds (investing mainly in high quality fixed interest securities, including corporate bonds), with a low proportion in equity funds. The fixed interest security and equity funds will invest in UK and overseas markets. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group. Exposure to the multi-manager funds is currently provided through the Scottish Widows Cautious Portfolio OEIC Fund although investment may be made through other unit-linked funds, collective investment schemes, or directly to meet the stated fund aims.	EQ FI OS
Scottish Widows Progressive Portfolio	The fund aims to achieve long-term growth by investing mainly in multi-manager funds. The fund will invest up to a maximum of 85% in equity funds with a moderate proportion in fixed interest security funds (the fixed interest security funds will invest mainly in high quality fixed interest securities, including corporate bonds). The equity and fixed interest security funds will invest in UK and overseas markets. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group. Exposure to the multi-manager funds is currently provided through the Scottish Widows Progressive Portfolio OEIC Fund although investment may be made through other unit-linked funds, collective investment schemes, or directly to meet the stated fund aims.	EQ FI OS
SW JPM Natural Resources Fund	JPMorgan describe their fund's aim as follows: To invest primarily in the shares of companies throughout the world engaged in the production and marketing of commodities. The fund aims to provide capital growth over the long-term.	EQ OS EM SC

Specialist Sector (continued)

The Scottish Widows Solution funds are a range of seven fund of funds. All the funds are risk rated according to the Scottish Widows Investment Approaches with the Defensive Solution fund at the lower end of the risk spectrum up to the Adventurous Solution at the higher end. These funds will provide exposure to a wide range of asset classes, including collective investment schemes which may themselves invest in a range of other assets. The funds assets are likely to vary from time to time but each category of assets has individual risks associated with them. The value of each of these Solution funds will depend on the combined performance of all of the assets held by the fund. A rise in the value of one asset class may not result in an increase in the fund's value. Similarly, a fall in the value of one asset class may not result in a fall in the value of the fund.



Fund	Fund Aim	Fund Risks
Defensive Solution	<p>The fund aim for the underlying Scottish Widows Defensive Solution OEIC in which this fund invests is as follows: To give an income, or growth (when income is kept in the fund) by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure generally to fixed interest securities (including UK government bonds, other UK fixed interest securities and overseas high yield bonds). The fund will also provide exposure to equities (including UK and overseas equities), property, commodities and other asset classes. Exposure will be mainly to UK investments but with a significant proportion overseas.</p> <p>Please note: The Scottish Widows unit-linked funds aim to provide long term growth in the price of units. Any income generated will not be distributed, but added to the fund value.</p>	<p>(FI) (HY) (OS) (PYS)</p>
Cautious Solution	<p>The fund aim for the underlying Scottish Widows Cautious Solution OEIC in which this fund invests is as follows: To give an income with some potential for long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure generally to fixed interest securities (including UK government bonds, other UK fixed interest securities and overseas high yield bonds). The fund will also provide exposure to equities (including UK and overseas equities), property, commodities and other asset classes. Exposure will be generally to UK investments but with a significant proportion overseas.</p> <p>Please note: The Scottish Widows unit-linked funds aim to provide long term growth in the price of units. Any income generated will not be distributed, but added to the fund value.</p>	<p>(FI) (EQ) (OS) (PYS) (HY)</p>

Specialist Sector (continued)

Fund	Fund Aim	Fund Risks
Discovery Solution	<p>The fund aim for the underlying Scottish Widows Discovery Solution OEIC in which this fund invests is as follows: To give an income with the potential for long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure mainly to fixed interest securities (including UK fixed interest securities and overseas high yield bonds) and equities (including UK and overseas equities). The fund will also provide exposure to property, commodities and other asset classes. Exposure will be generally to UK investments but with a significant proportion overseas.</p> <p>Please note: The Scottish Widows unit-linked funds aim to provide long term growth in the price of units. Any income generated will not be distributed, but added to the fund value.</p>	(FI) (EQ) (OS) (PYS) (HY)
Balanced Solution	<p>The fund aim for the underlying Scottish Widows Balanced Solution OEIC in which this fund invests is as follows: To give long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure to equities (including UK, overseas and emerging markets equities) balanced mainly with fixed interest securities (including UK fixed interest securities and overseas high yield bonds). The fund will also provide exposure to property, commodities and other asset classes. Exposure will be to both UK and overseas markets.</p>	(FI) (EQ) (OS) (PYS) (HY)
Strategic Solution	<p>The fund aim for the underlying Scottish Widows Strategic Solution OEIC in which this fund invests is as follows: To give long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure generally to equities (including UK, overseas and emerging markets equities). The fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property, commodities and other asset classes. Exposure will be to both UK and overseas markets.</p>	(FI) (EQ) (OS) (PYS) (HY)
Dynamic Solution	<p>The fund aim for the underlying Scottish Widows Dynamic Solution OEIC in which this fund invests is as follows: To give long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure mainly to equities (including UK, overseas and emerging markets equities). The fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property, commodities and other asset classes. Exposure will be to both UK and overseas markets.</p>	(FI) (EQ) (OS) (PYS) (HY)
Adventurous Solution	<p>The fund aim for the underlying Scottish Widows Adventurous Solution OEIC in which this fund invests is as follows: To give long-term capital growth by investing mainly in funds such as collective investment schemes.</p> <p>The fund will provide exposure primarily to equities (including UK, overseas and emerging markets equities). The fund will also provide exposure to fixed interest securities (including UK fixed interest securities and overseas high yield bonds), property and commodities. In addition the fund has the power to invest in other asset classes permitted by the FSA rules. Exposure will be generally to UK investments but with a significant proportion overseas.</p>	(FI) (EQ) (OS) (PYS) (HY)

1. Scottish Widows Core Internally Managed Life Funds

These funds are available to existing customers who are already invested in the following Scottish Widows products. New customers should contact their adviser or Scottish Widows for information on product availability.

	Flexible Options Bond	Regular Savings Plan	House Purchase Savings Plan
Adventurous Solution	✓	✓	✓
Balanced Portfolio	✓	✓	✓
Balanced Solution	✓	✓	✓
Cash	✓	✓	✓
Cautious Managed	✓	✓	✓
Cautious Portfolio	✓	✓	✓
Cautious Solution	✓	✓	✓
Consensus	✓	✓	✓
Corporate Bond	✓	✓	✓
Defensive Managed	✓	✓	✓
Defensive Solution	✓	✓	✓
Diversified Assets	✓	✓	✓
Discovery Solution	✓	✓	✓
Dynamic Solution	✓	✓	✓
Dynamic Property	✓	✓	✓
Emerging Markets	✓	✓	✓
Environmental	✓	✓	✓
Ethical	✓	✓	✓
European Real Estate	✓	✓	✓
European	✓	✓	✓
Fixed Interest	✓	✓	✓
Global Equity	✓	✓	✓
High Income Bond	✓	✓	✓
Indexed Stock	✓	✓	✓
International	✓	✓	✓
Japanese	✓	✓	✓
Mixed	✓	✓	✓
Multi-Manager Global Real Estate	✓	✓	✓
Multi-Manager International Equity	✓	✓	✓
Multi-Manager UK Equity Focus	✓	✓	✓
Multi-Manager UK Equity Growth	✓	✓	✓
Multi-Manager UK Equity Income	✓	✓	✓
North American	✓	✓	✓
Opportunities Portfolio	✓	✓	✓
Progressive Portfolio	✓	✓	✓
Property	✓	✓	✓
SafetyPlus®	✓	✓	✓
Strategic Income Bond	✓	✓	✓
Strategic Solution	✓	✓	✓
UK Equity	✓	✓	✓
UK Equity Index	✓	✓	✓
UK Opportunities	✓	✓	✓
UK Real Estate	✓	✓	✓

2. Scottish Widows With-Profits Funds

These funds are available to existing customers who are already invested in the following Scottish Widows products. New customers should contact their adviser or Scottish Widows for information on product availability.

For existing Flexible Investment Bond customers, and for existing With-Profits Bond customers who accept an endorsement to allow the addition of unit-linked funds to their Bond, we are able to offer our full range of unit linked investment funds.

	Flexible Options Bond	Regular Savings Plan	House Purchase Savings Plan
Unitised With-Profits Fund	X	✓	✓
With-Profits Growth Fund	✓	X	X
With-Profits Income Fund	✓	X	X

3. Scottish Widows Externally Managed Life Funds

These funds are available to existing customers who are already invested in the following Scottish Widows products. New customers should contact their adviser or Scottish Widows for information on product availability.

	Flexible Options Bond	Regular Savings Plan	House Purchase Savings Plan
Externally Managed Funds Available	✓	✓	✓

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