

Fenwick Solicitors Central Administrative Department Blackwell House, Guildhall Yard London EC2V 5AE

9 October 2014

Tel. No. 08457166777 Fax No. 01316620430

Dear Sirs

Policy Number: Z0303583/NH205565C Client Name - MR ME PATRICK

Thank you for your recent communication.

Please find enclosed statement of contributions, transfer value quotation, investment report and a pension builder factsheet.

Yours faithfully

Sagar Shiva Kumar

Sagar Shiva Kumar Customer Services

If you have any questions please contact our Client Services Team on 08457166777.



Fenwick Solicitors Central Administrative Department Blackwell House, Guildhall Yard London EC2V 5AE

		Date:	09 October 2014
Our rof:	CSA20/MOn Quates/Sagar Shine Kuman	Local rate tel no:	0845 716 6777
Our rel:	CSA39/MOp Quotes/Sagar Sniva Kumar	Local rate fax no:	0131 662 0430

Dear Sirs

Quotation for: Policy Z0303583 / NH205565C Member MR ME PATRICK

Thank you for your recent transfer enquiry. I enclose our transfer quotation which provides all the information required.

Yours faithfully

Sagar Shiva Kumar

Customer Services

Your Customer Services Team can be contacted on 0845 716 6777. We are open from 8am to 6pm Monday to Friday and from 9am to 12.30pm on Saturday.



Mr M Patrick 5 Long Row Castle Eaton SWINDON SN6 6LB

 Date:
 09 October 2014

 Local rate tel no:
 0845 716 6777

 Local rate fax no:
 0131 662 0430

Dear Mr Patrick

Our ref:

Quotation for: Policy Z0303583 / NH205565C Member MR ME PATRICK

CSA39/MOp Quotes/Sagar Shiva Kumar

Thank you for your recent transfer enquiry. I enclose our transfer quotation which provides all the information required.

The following options are available.

- Preserved Benefits Units will be retained and continue to grow until retirement age.
- **Transfer Value** The cash value of your benefits may be transferred to another pension arrangement. Policy information is detailed on the quotation.

The enclosed quotation provides information about each of the options available to you and should be read with the 'Important Information' and your member's booklet.

Please complete the attached Election Form to indicate your choice and return it to Scottish Widows.

Yours sincerely

Sagar Shiva Kumar

Customer Services

Your Customer Services Team can be contacted on 0845 716 6777. We are open from 8am to 6pm Monday to Friday and from 9am to 12.30pm on Saturday.



Ref: CSA39/MOp Quotes/Sagar Shiva Kumar Page: 1 of 5

Important Information for MR ME PATRICK Policy Z0303583 / NH205565C

Contributions Received

Former Protected Rights : Builder (Employee/Employer): 05/04/1988 to 05/04/2010 28/08/1988 to 28/08/1989

ON or BETWEEN

AMOUNTS £ 7029.69 £ 325.00 / £ 0.00

Notes

The transfer value amount will be recalculated at the date of payment.

- The Builder units have been adjusted in respect of stopping contributions early. This reduction is reflected in the figures shown.
- Terminal bonus on the current scale has been included in the figures shown. Terminal bonus rates are
 normally reviewed on 1 January and 1 July and it is important to note that rates can go down as well as
 up.



Ref: CSA39/MOp Quotes/Sagar Shiva Kumar Page: 2 of 5

Preserved Benefits Illustration for MR ME PATRICK on 09/10/2014 Policy Z0303583 / NH205565C

The units will be retained under your name and will continue to be invested with Scottish Widows plc until you wish to take your benefits under this arrangement. The value of the units will then be available to purchase pension benefits. You may, however, elect to transfer the value of this policy to a new pension arrangement before your selected retirement date.

These figures show what you might get back if you start taking your pension at your Retirement Age.

Former Protected Rights Benefits		
Retirement Age 65	Assumed rate of 1 -0.5%	return per annum 5.4%
Illustrated Value of Preserved Units	£ 15300	£ 37300
At Retirement the above amounts could provide you with :		
Pension p.a.	£ 597	£ 2400
Plus		
Spouse's Pension p.a.	£ 298	£ 1200
Builder Benefits		
Retirement Age 65	Assumed rate of r -0.5%	eturn per annum 5.4%
Illustrated Value of Regular Units	£ 839	£ 2050
At Retirement the above amounts could provide you with :		
Pension p.a.	£ 32	£ 132
Plus		
Spouse's Pension p.a.	£ 16	£ 66

Not Guaranteed

Please read Notes on the following page



Ref: CSA39/MOp Quotes/Sagar Shiva Kumar Page: 3 of 5

Preserved Benefits Illustration for MR ME PATRICK on 09/10/2014 Policy Z0303583 / NH205565C

Notes

- This illustration shows, in today's prices, the values of units and benefits that might be payable when you retire. This means the assumed rates of return take account of price inflation of 2.5% each year, in determining the values shown to give you an indication of the pension you might get in today's terms.
- · Price inflation reduces the worth of all savings and investments over time
- The value of units and benefits payable could be more or less than shown. The benefits may be less than the payments made.
- These figures are examples and aren't guaranteed they're not minimum or maximum amounts. What you might
 get back depends on a number of factors, including:
 - how your investment performs;
 - the actual age you choose to take your benefits;
 - the period your Plan is invested;
 - the product charges and any commission that applies;
 - how much it costs when you retire to convert your retirement fund into pension income and;
 - the tax treatment of your Plan.
- Pensions will remain level during the course of payment.
- Other firms may use different rates of growth for their illustrations and charges may vary. Firms generally use the same rates as each other to show how retirement funds may be converted into pension income.
- Your pension from Former Protected Rights Benefits will be paid for a minimum period of 5 years, and thereafter for the remainder of your life.
- On your death after retirement, a reduced amount of 50% of your pension from Former Protected Rights Benefits will be payable to any surviving spouse, for the rest of their life.
- If you die during the minimum period, however, your pension from Former Protected Rights Benefits will continue to be paid, in full, to the end of the minimum period. Thereafter, the reduced amount of 50% of your pension will be payable to any surviving spouse, for the rest of their life.
- Your pension from Builder Benefits will be paid at the beginning of each month for a minimum period of 5 years from when you start taking it, and thereafter for life.
- The spouse's pension illustrated from Builder Benefits is payable on your death after retirement, and is payable for the rest of their life.
- Your spouse is assumed to be 3 years younger than you.
- The Government sets a Lifetime Allowance on the overall value of pension benefits payable to individuals from all pension plans. The benefits from this plan, including any Tax Free Cash Sum, have been calculated without reference to the Lifetime Allowance. If the value of the benefits payable from this plan, when aggregated with all your other pension benefits, exceed the Lifetime Allowance, a tax charge will normally be payable. Any tax charge payable under this plan will reduce the amount of pension benefits actually provided by this plan.
- To help keep track of your Plan, we'll send you a statement each year.

If you want to preserve your benefits please complete and return the election form.

This Quotation was produced on 9th October 2014.



Ref:CSA39/MOp Quotes/Sagar Shiva KumarPage:4 of 5

Transfer Value Quotation for MR ME PATRICK on 09/10/2014 Policy Z0303583 / NH205565C

Details of Transfer Value as at 09/10/2014												
Former Protected Rights	£ 17962.19											
Total Transfer Value	£ 997.60 £ 18959.79	(incl £5340.96 terminal bonus)										
	Not Guaranteed											
Policy Details												
Name Address	: MR ME PATR : 5 Long Row Castle Eaton SWINDON SN6 6LB	ICK	Date of Birth Normal Retirement	: 06/07/1965 : 06/07/2030								
Policy Approval ASCON Reference No.	: Appropriate Pe : Part 4 of the Fi : A7001017T : 00605435RH	ersonal Pension nance Act 2004										

Market Value Reduction

If you have with-profits units and transfer, other than at the retirement date shown in your plan documents, Market Value Reductions (MVRs) may apply. They may also be called Market Level Adjustments (MLAs).

If MVRs apply they will reduce what you get from the with-profits units cashed in. Currently no MVRs apply to your plan, but they could be introduced at any time without notice.

Please read the information you received at the start of your plan for more details. This explains where the MVRs may apply and also where they are guaranteed not to apply.

Please note that where you qualify for a protected retirement age or where you have protected tax free cash this may be lost on transfer.

If you have applied to HM Revenue and Customs for Enhanced or Fixed Protection this may be lost if the transfer is not a permitted transfer. Please seek financial advice.

If the transfer is to proceed we require the following :

The Receiving Scheme's written acceptance of the Transfer Value

If you want to take the Transfer Value please complete the election form and pass it onto the receiving scheme or life office to complete and return to us.

This Quotation was produced on 9th October 2014.

STATEMENT OF CONTRIBUTIONS

From : To : Bid Price : Start of policy 09/10/2014 384.0 (pence)

Scheme ID: Name: Address:

Z0303583 PATRICK M E

Payment Method:Level Direct DebitStart Date:23/08/1988Type of Policy:Unitised With Profits

Member Details

Name: Address:

Mr ME Patrick 5 Long Row Castle Eaton SWINDON SN6 6LB

Date Joined Scheme:	23/08/1988
Date of Birth:	06/07/1965
Retiral Date:	06/07/2030
Payroll Number:	Not Applicable

Bid Value of Units

Type of Benefits Held	Units		Value
Regular	170.6416	£	655.26
Former Prot Rights	3375.9299	£	12,963.57
Regular TV - In	0.0000	£	-
Former Prot Rights TV - In	0.0000	£	-
AVC TV - In	0.0000	£	-
Totals	3546.5715	£	13,618.83

Transfer Value

Type of Benefits Held	Units		Bid Value TB			MVR		TV (+TB -MVR)	
Regular	170.6416	£	655.26	£	342.34	£	-	£	997.60
Former Prot Rights	3375.9299	£	12,963.57	£	4,998.62	£	-	£	17 962 19
Regular TV - In	0.0000	£	-	£	-	£	-	£	-
AVC TV - In	0.0000	£	-	£	-	£		£	-
Total	3546.5715	£	13,618.83	£	5,340.96	£	-	£	18,959.79

Notes

The Terminal Bonus (TB) and Market Value Reduction (MVR) are based on the rates available at the date of valuation. The transfer value is not guaranteed.

Please note that where you qualify for a protected retirement age or where you have protected tax free cash this may be lost on transfer.

If you have applied to HMRC for Enhanced Protection this may be lost if the transfer is not a permitted transfer. Please seek financial advice.

Any units purchased after 09 October 2014 have not been included in the calculations.

Member ID: NH205565C Status of Policy: PU Life Insurance: No Benefit: Application Date: 23/08/1988

Effective Date	Type of Benefits	2	Employer (Gross)	E	mployee (Net)	E	mployee Gross)	ļ	Former Protected Rights	Allocation (%)	To	tal Applied (Gross)	Units Purchased	Purchase Date
28/08/1988	Regular Premium	£	-	£	37.50	£	50.00			100	£	50.00	45.3309	12/10/1988
28/10/1988	Regular Premium	£	-	£	18.75	£	25.00			100	£	25.00	22.6040	19/10/1988
28/11/1988	Regular Premium	£	-	£	18.75	£	25.00			100	£	25.00	22.4618	14/11/1988
05/04/1988	Government Rebate	£		£	-			£	330.69	100	£	330.69	295.7871	02/12/1988
05/04/1988	Government Tax Relief	£		£				£	42.08	100	£	42.08	37.6386	02/12/1988
28/12/1988	Regular Premium	£	-	£	18.75	£	25.00			100	£	25.00	22.2816	13/12/1988
28/01/1989	Regular Premium	£		£	18.75	£	25.00			100	£	25.00	22.1043	13/01/1989
28/02/1989	Regular Premium	£	-	£	18.75	£ C	25.00			100	£	25.00	21.9298	13/02/1989
20/03/1909	Regular Premium	2		r C	16.75	L.	25.00	c	270 77	100	Ł	25.00	21.7770	13/03/1989
28/04/1989	Regular Promium	L		L	19.75	L C	200.00	r.	312.11	100	2	5/2.//	511.9151	88/89 Total
05/04/1988	Covernment Add Rebete	L.	-	r C	10.75	L	25.00	c	105.00	100	£	25.00	21.5889	13/04/1989
28/05/1989	Regular Promium	L C		r c	10 75	c	25.00	£.,	105.62	100	£	105.82	90.9888	02/05/1989
28/06/1989	Regular Premium	5		5	18 75	5	25.00			100	r c	25.00	21.4225	15/05/1989
28/07/1989	Regular Premium	5		5	18.75	£	25.00			100	r c	25.00	21.2585	13/06/1989
28/08/1989	Regular Premium	5		5	18.75	5	25.00			100	r c	25.00	21.0970	13/07/1989
28/08/1989	Regular Premium	ç		5	10.75	~	20.00			100	L C	25.00	20.9205	14/06/1969
05/04/1989	Government Rebate	ç		ç				ç	189 72	100	-L C	180.00	-114.1352	20/00/1909
05/04/1989	Government Add Rebate	ç		6				5	65 42	100	E C	65 42	53,6002	01/11/1909
05/04/1989	Government Tax Relief	ç		ç				5	21.81	100	c c	21.81	17 8770	01/11/1909
	Server internet tax realer	ç		ç	93 75	ç	125.00	5	382 77	100	r c	21.01	210 1402	01/11/1909
05/04/1990	Government Rebate	ç		ç	55.75	~	120.00	ç	152.77	100	L C	152 77	112 9297	03/12/1000
05/04/1990	Government Add Rehate	ç		5				5	52.68	100	L C	52.69	28 0060	03/12/1990
05/04/1990	Government Tax Relief	ç		ĉ				5	17 56	100	L C	17.60	30.9009	03/12/1990
	Soforminent Tax Relief	£		ç		ç		5	223.01	100	L C	222.01	12.9090	03/12/1990
05/04/1990	Government Rebate	f		£		~	-	5	124 41	100	E C	124.41	104.7040	01/08/1001
05/04/1990	Government Add Rebate	ç		5				5	42.90	100	L C	124.41	00.3359	01/08/1991
05/04/1990	Government Tax Relief	ç		£	-			5	14 30	100	5	42.90	29.7710	01/08/1991
05/04/1991	Government Rebate	£		£	_			ç	245.98	100	5	245.98	160 1747	01/00/1991
05/04/1991	Government Add Rebate	ç		÷				ç	84 82	100	5	245.50	59 3256	02/09/1991
05/04/1991	Government Tax Relief	£		£	-			ç	28.27	100	5	28.27	10 4420	02/09/1991
05/04/1991	Government Tax Relief	ç		ç	_			ç	5 20	100	5	5 20	3 5405	02/09/1991
05/04/1991	Government Rebate	£		ę	-			ç	45 24	100	5	45 24	30,8805	01/10/1991
05/04/1991	Government Add Rebate	£	2	£				£	15.60	100	5	15.60	10 6485	01/10/1991
		£		£	-	£		ç	606 72	100	6	606 72	418 0623	91/92 Total
05/04/1992	Government Rebate	£		£		~		£	377.99	100	5	377 99	238 3291	03/08/1002
05/04/1992	Government Add Rebate	£		£	-			£	130.34	100	¢	130 34	82 1816	03/08/1992
05/04/1992	Government Tax Relief	£	-	£	-			£	43 45	100	ç	43 45	27 3960	03/08/1992
		£	-	£	2	£		£	551.78	100	ç	551 78	347 9067	92/93 Total
05/04/1993	Government Rebate	£	-	£	-			£	358.32	100	ç	358 32	205 3410	01/09/1993
05/04/1993	Government Add Rebate	£		£	-			£	123.56	100	£	123.56	70 8080	01/09/1993
05/04/1993	Government Tax Relief	£	-	£	-			£	41.19	100	£	41.19	23 6046	01/09/1993
05/04/1993	Government Rebate	£	2	£	-			£	30.28	100	£	30.28	17 2339	01/10/1993
05/04/1993	Government Add Rebate	£		£	-			£	10.44	100	£	10.44	5.9419	01/10/1993
05/04/1993	Government Tax Relief	£		£	-			£	3.48	100	£	3.48	1.9806	01/10/1993
		£	2	£	-	£	-	£	567.27		£	567.27	324,9100	93/94 Total
05/04/1994	Government Rebate	£		£	-			£	400.08	100	£	400.08	211.6825	01/09/1994
05/04/1994	Government Tax Relief	£	-	£	-			£	50.01	100	£	50.01	26 4603	01/09/1994
		£	-	£	-	£		£	450.09		£	450.09	238,1428	94/95 Total
05/04/1999	Government Rebate	£	-	£	-			£	87.16	100	£	87.16	31,5340	01/12/1999
05/04/1999	Government Tax Relief	£		£	-			£	9.69	100	£	9.69	3,5058	01/12/1999
		£	-	£		£		£	96.85		£	96.85	35.0398	99/00 Total
05/04/2000	Government Rebate	£	2	£	-			£	167.65	100	£	167.65	58.5370	01/08/2000
05/04/2000	Government Tax Relief	£	-	£	*			£	17.05	100	£	17.05	5.9532	01/08/2000
		£	-	£	-	£	-	£	184.70		£	184.70	64.4902	00/01 Total
05/04/2001	Government Rebate	£	-	£	-			£	310.34	100	£	310.34	108.6244	02/07/2001
05/04/2001	Government Tax Relief	£	-	£	-			£	29.80	100	£	29.80	10.4305	02/07/2001
		£		£	-	£	-	£	340.14		£	340.14	119.0549	01/02 Total
05/04/2002	Government Tax Relief	£	•	£	-			£	30.91	100	£	30.91	10.3551	01/07/2002
05/04/2002	Government Rebate	£	-	£	-			£	328.75	100	£	328.75	110.1340	01/07/2002
	12	£		£	-	£	-	£	359.66		£	359.66	120.4891	02/03 Total
05/04/2003	Government Rebate	£	-	£	-			£	471.04	100	£	471.04	152.8358	01/07/2003
05/04/2003	Government Tax Relief	£	-	£	-			£	20.84	100	£	20.84	6.7618	01/07/2003
		£	12	£	-	£	-	£	491.88		£	491.88	159.5976	03/04 Total
05/04/2004	Government Rebate	£	-	£	-			£	485.52	100	£	485.52	154.5750	02/08/2004
05/04/2004	Government Tax Relief	£	-	£	-			£	21.48	100	£	21.48	6.8386	02/08/2004
		£	-	£	-	£	-	£	507.00		£	507.00	161 4136	04/05 Total

Effective Date	Type of Benefits	<u></u>	mployer Gross)	E	mployee (Net)	<u>E</u> (mployee Gross)	Ē	Protected Rights	Allocation (%)	To	tal Applied (Gross)	Units Purchased	Purchase Date
05/04/2005	Government Rebate	£	-	£	-			£	484.22	100	£	484.22	150.0992	02/05/2006
05/04/2005	Government Tax Relief	£	-	£	-			£	21.01	100	£	21.01	6.5127	02/05/2006
05/04/2006	Government Tax Relief	£	-	£				£	20.31	100	£	20.31	6.2301	01/11/2006
05/04/2006	Government Rebate	£	-	£	-			£	468.00	100	£	468.00	143.5583	01/11/2006
		£	-	£	-	£	-	£	993.54		£	993.54	306.4003	06/07 Total
05/04/2007	Government Rebate	£	-	£	-			£	315.35	100	£	315.35	95.3007	01/06/2007
05/04/2007	Government Tax Relief	£	-	£	-			£	13.43	100	£	13.43	4.0586	01/06/2007
		£	-	£	-	£	-	£	328.78		£	328.78	99.3593	07/08 Total
05/04/2008	Government Rebate	£	-	£	-			£	209.59	100	£	209.59	61.4994	02/06/2008
05/04/2008	Government Tax Relief	£	-	£	-			£	6.66	100	£	6.66	1.9542	02/06/2008
		£	-	£	-	£	-	£	216.25		£	216.25	63.4536	08/09 Total
05/04/2010	Government Rebate	£	-	£	-			£	156.88	100	£	156.88	44.4168	01/07/2010
05/04/2010	Government Tax Relief	£	-	£	-			£	4.24	100	£	4.24	1.2005	01/07/2010
		£	-	£		£		£	161.12		£	161.12	45.6173	10/11 Total
05/04/2009	Government Tax Relief	£	-	£	-			£	5.28	100	£	5.28	1.5099	01/07/2009
05/04/2009	Government Rebate	£	-	£				£	190.08	100	£	190.08	54.3552	01/07/2009
		£	-	£	-	£	-	£	195.36		£	195.36	55.8651	09/10 Total
		£	-	£	243.75	£	325.00	£	7,029.69		£	7,224.69	3546.5715	Grand Total



Ref: CSA39/MOp Quotes/Sagar Shiva Kumar Page: 5 of 5

Election Form

for

MR ME PATRICK Policy Z0303583 / NH205565C

	0.70			
Please complete this form and	return to Scottish Widow	/S.		
	Fo	rmer Protected Rights	Builder	
I select the following option :				
	Preserved Benefits			Please tick
	Transfer Value			in each column.
Authority I authorise you to deal with the	benefits in consideration	n of the above option.		
I understand that any protected Protection may be lost on trans	tax free cash, protected fer.	retirement age, Enhanced	Protection or	Fixed
Scheme Member's signature			Date	
Please complete and pass this f	orm onto the receiving so	cheme or life office to con	mplete the sect	ion below.
To be completed by the Receivant Name of Receiving SchemeAddress of Scheme / Life Office	ving Scheme / Life Offi	ce		
	Ро	ost Code		
Bank Account details to accept	the Transfer Payment (P	ayment will be made by	BACS Transfe	r)
Account Name:				
Sort Code: Any reference to be attached to PSTR Number:	Account Number payment:			
The transfer will be paid to:				
A registered pension scheme,	as defined under Part 4	of the Finance Act 200	4	
Type of registered pension sche to (i.e. Occupational, Personal)	eme the Transfer is being Pension, Salary Related e	paid etc):		
We agree to accept the transfer	value as outlined above.			
Signed on behalf of the Scheme	Administrators			
	Date			

Scottish Widows plc. Registered in Scotland No. 199549. Registered Office in the United Kingdom at 69 Morrison Street, Edinburgh EH3 8YF. Telephone: 0131 655 6000. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 191517. 6021 05/14

Personal Pensionbuilder Fact Sheet

- Personal Pensionbuilder policies are held under the Scottish Widows Appropriate Personal Pension Scheme, which is a registered pension scheme (as defined in Part 4 of the Finance Act 2004).
- The Scheme's HM Revenue & Customs pension scheme tax reference number (PSTR) is 00605435RH.
- Pension benefits may be taken between the ages of 55 and 75. Up to 25% of the policy value can normally be taken as a tax-free cash sum.
- On death prior to retirement, the value of the policy will be used to provide lump sum or dependant's pension benefits. Details are provided in the policy documents.
- Personal Pensionbuilder policies invest wholly in the Scottish Widows' Unitised with Profits (UWP) fund. No other funds are available.
- When UWP units are cashed in, Market Value Reductions (MVRs) can apply. If they do, they'll reduce what is paid out. MVRs may also be referred to as Market Level Adjustments (MLAs).
- More information on MVRs is provided in the policy documents, including details of when they may apply, and also where they are guaranteed not to apply.
- Personal Pensionbuilder policies do not offer Guaranteed Annuity Rates.
- Personal Pensionbuilder policies do not offer Waiver of Premium
- There is no monthly policy fee.
- For policies with a start date prior to 4th June 2001, the Annual Management Charge for all contributions is 0.875% p.a.
- For policies which commenced after 4th June 2001, the Annual Management Charge for all contributions is 1% p.a.
- Sedol number is 0788771
- MEX code is swpuw

Pensionbuilder

Investment Report

Year at 1 July 2014

DISTRIBUTION OF INVESTMENT OF WITH PROFITS FUND

As at 1 July 2014 (most recent figures available)

Please refer to the booklet entitled *Your guide to with-profits* or online at: <u>http://reference.scottishwidows.co.uk/docs/44423.pdf</u>

UNITISED WITH-PROFITS POLICIES

Under Unitised With-Profits policies bonuses are declared in two forms, firstly by way of increases in the unit price (also called "Regular Bonus") and secondly by way of Final Bonuses which may be payable when a claim arises. Bonuses by way of increase in price are declared in advance and are used to calculate the daily increase in unit prices.

The historic and current annualised Regular Bonus rate(s) for Pensionbuilder policies are as follows:

Outset to 30 June 1992	10.0%
1 July 1992 to 28 February 1993	9.5%
1 March 1993 to 31 December 1993	9.0%
1 January 1994 to 31 December 1994	8.0%
1 January 1995 to 31 December 1996	8.5%
1 January 1997 to 30 June 1997	8.0%
1 July 1997 to 31 December 1997	7.5%
1 January 1998 to 31 December 1998	7.0%
1 January 1999 to 30 June 2001	5.5%
1 July 2001 to 31 December 2001	5.0%
1 January 2002 to 31 December 2002	4.0%
1 January 2003 to 30 June 2003	2.5%
1 July 2003 to 31 December 2003	2.0%
1 January 2004 to 31 December 2005	1.5%
1 January 2006 to 30 June 2006	1.75%
1 July 2006 to 31 December 2006	2.25%
1 January 2007 to 30 June 2007	2.75%
1 July 2007 to 30 June 2008	3.0%
1 July 2008 to 31 December 2008	2.75%
1 January 2009 to 30 June 2009	2.0%
1 July 2009 to 31 December 2009	1.0%
1 January 2010 to 30 June 2010	1.0%
1 July 2010 to 31 December 2010	2.0%
1 January 2011 to 30 June 2011	2.0%
1 July 2011 to 31 December 2011	2.5%
1 January 2012 to 30 June 2012	1.5%
1 July 2012 to 31 December 2012	1.5%
1 January 2013 to 30 June 2013	1.25%
1 July 2013 to 31 December 2013	2.00%
1 January 2014 to 30 June 2014	2.50%
1 July 2014 to 31 December 2014	3.00%

Regular Bonus rates are reviewed on 1 January and 1 July each year.

For policies taken out before 3 March 2000, the Final Bonus rates which became effective from 1 July 2014 are as follows:

Unit Purchase Year	Final Bonus	Unit Purchase Year	Final Bonus
1988	57%	2002	42%
1989	43%	2003	48%
1990	44%	2004	38%
1991	54%	2005	23%
1992	49%	2006	10%
1993	36%	2007	4%
1994	36%	2008	18%
1995	41%	2009	31%
1996	35%	2010	15%
1997	29%	2011	10%
1998	20%	2012	6%
1999	14%	2013	0%
2000	12%	2014	0%
2001	27%		

For policies taken out on or after 3 March 2000, the Final Bonus rates which became effective from 1 July 2014 are as follows:

Unit Purchase Year	Final Bonus	Unit Purchase Year	Final Bonus
2000	8%	2008	16%
2001	23%	2009	30%
2002	37%	2010	14%
2003	45%	2011	10%
2004	36%	2012	6%
2005	21%	2013	0%
2006	9%	2014	0%
2007	3%		

For policies taken out on or after 4 June 2001, the Final Bonus rates which became effective from 1 July 2014 are as follows:

Unit Purchase Year	Final Bonus	Unit Purchase Year	Final Bonus
2001	21%	2008	15%
2002	35%	2009	29%
2003	43%	2010	13%
2004	34%	2011	10%
2005	20%	2012	6%
2006	8%	2013	0%
2007	2%	2014	0%

Final Bonus rates are usually reviewed twice a year, although this may be more frequent in times of extreme market volatility. This means Final Bonus rates could possibly change between the time you receive this report and the date of any policy settlement.

The above Final Bonus rates also apply when units are cashed-in or switched at times other than normal retirement date(s). In such circumstances a Market Value Reduction (MVR) may also be applied to the policy, for example, following a period of falling stock markets and will act to reduce the amount that is paid. An MVR aims to pay a fair share for those who leave the fund. If we were to pay someone leaving the fund more than their fair share based on investment performance, then the remaining customers may lose out. This would reduce Future Bonus rates and thus penalise those policyholders who hold their policies to maturity.

The circumstances in which MVRs may apply are:

•••

- for policies entering before 1 July 1994, any retirement or transfer not in the Decade of Retirement and before either the personal pension date or the normal retirement date
- for policies entering after 30 June 1994, any retirement or transfer on a date other than the personal pension date or normal retirement date

Following positive investment returns since mid-2009 there are currently no MVRs applying to surrender payouts.

For further details on MVRs please refer to the enclosed leaflet.

INVESTMENT REPORT

Investments in these Funds take the form of an insurance policy and this report gives all the investment information required by the relevant Statement of Recommended Practice (SORP). It may, therefore, be used as a draft for trustee disclosure purposes.

Market Overview

World equity markets were extremely strong over the 12-month period. While data improved in several key economies, most notably the US and UK, this was far from the case across the board, and the prevailing optimism appears to owe more to ongoing support from central banks. In the US, while the Federal Reserve (the Fed) started to reduce its quantitative easing programme, chair Janet Yellen stated that interest rates are likely to stay low 'for a considerable time' in order to support the recovery. Rates also remained unchanged in the UK, while in the Eurozone, the European Central Bank (ECB) introduced a number of measures aimed at stimulating growth, including taking its deposit rate (the interest rate that its pays on commercial bank deposits) to below zero in order to encourage lending to companies. Elsewhere, policy in Japan also remained highly accommodative.

Bond Markets

UK government bonds have struggled for much of the past year. Demand for the asset class remained robust until mid-2013, partly due to the Bank of England's bond-buying programme. Gilt prices were also boosted by the Eurozone crisis. Even though the UK was stripped of its triple-A credit rating by Moody's, Gilts continued to be regarded as a safe-haven asset, and this perception acted to hold down yields until June 2013. However, as the Fed started to talk about "tapering" its asset-purchase scheme, volatility increased. This drove US yields higher, and "core" government bond markets such as the UK and Germany followed suit.

From then on, markets were gripped by the timing of "tapering", as the US programme came to be known. Every ebb and flow of economic data was minutely examined to ascertain its significance for the timing of tapering. Good news such as strong employment data was taken as a sign that stimulus would be withdrawn, and that would send markets down. In contrast, bad news such as ailing housing data was seen to indicate that quantitative easing would continue, and bond markets rose. In mid-December, the Fed announced that tapering would start in January 2014. UK Gilts and German Bund movements continued to mirror the upward moves in US Treasury yields.

However, the new year provided indications that the safe haven theme was still a powerful one. Concerns over emerging market volatility drove the yield on the benchmark 10-year UK Gilt from 3.03% at the start of January to 2.72% by the end of February. Thereafter, things quietened down; and Gilt yields have traded in a fairly narrow range. During June, Bank of England (BoE) governor Mark Carney suggested that interest rates could rise more quickly than the market anticipated, and at the end of June 2014, the yield on the benchmark 10-year Gilt was 2.67%.

The last 12 months have been largely rewarding for corporate bond investors. Asset purchases by central banks have driven down yields, resulting in investors migrating up the risk spectrum in a hunt for yield, and driving prices higher. High yield bonds have performed particularly well, latterly boosted by the strength of the recovery in emerging market assets.

Equities – UK

The UK equity market rose over the period and economic data generally continued to improve. Of particular note, GDP for the first quarter of 2014 came in at 0.8%, translating into growth of 3.1% for the 12 months to the end of March, the strongest level since 2007. Meanwhile, the rate of unemployment fell to 6.5% in the three months to May, its lowest level in six years. The housing market also continued to rally, leading to concerns at BoE that it is overheating. The FTSE All-Share index gained 13.12% in sterling, total return terms over the 12 months.

Equities – Overseas

US equity markets continued to make extremely strong progress over the 12 months. The FTSE World North America index returned 25.24% in dollar, total return terms. The US economy contracted in the first quarter of 2014 by 2.9%. However, this was due to the extreme winter weather and growth has picked up since then, with employment and housing figures particularly encouraging. While Janet Yellen provided the market with a generally upbeat outlook for the economy, she emphasised that risks remain. The Fed is clearly proceeding cautiously as a result.

While economic growth in the Eurozone remained lacklustre over the period, the equity market has continued rally. The FTSE World Europe (ex UK) index gained 24.90% in local currency, total return terms. As a whole, the Eurozone's economy grew by just 0.2% over the first three months of 2014. There continued to be a

significant divergence between countries and while German growth exceeded expectations at 0.8%, other countries such as the Netherlands experienced a sharp contraction. The economies of Portugal and Italy also shrank over the period, while France was stagnant. Inflation remained at a four-and-a-half year low in May, which prompted the ECB to take action to combat it.

Japanese equity markets continued to make gains over the 12 months, with the Topix index returning 13.57% in yen, total return terms. During the period, the Japanese government increased the consumption tax, from 5% to 8%, as part of its attempt to reduce public debt. Consumer spending had risen in the first quarter of this year in anticipation of this move and it was therefore not surprising to see it temporarily fall in the second quarter. Overall, the Japanese economy appears to be moving the right direction under Prime Minister Shinzo Abe's 'New Growth Strategy'.

It was a volatile period for emerging markets. While Chinese economic growth remains high in absolute terms, it has stumbled this year, leading investors to worry about the impact on countries for which China is the key export market. The reduction of quantitative easing in the US is also a concern as emerging economies have been particularly helped by the excess liquidity in the global financial system. However, while emerging market equities fell over the latter months of 2013 and the start of 2104, they have rallied recently. India has performed particularly well amid optimism about the reforms that will be introduced under the newly-elected BJP party. Overall, the FTSE Emerging Markets index rose by 15.93% in local currency, total return terms over the period.

Real Estate

There is no doubt that the UK commercial property market is thriving again. Strong investor sentiment and a limited supply of quality properties have ensured that the asset class has continued to prosper. According to the Investment Property Databank (IPD) monthly index, total returns over the 12 months to the end of May 2014 (the latest data available) were 16%. Demand for secondary assets, particularly in the office and industrial sectors, is increasing as investors are willing to take on more risk in order to achieve higher yields. In fact, many secondary properties and locations are now viewed as potential opportunities, rather than risks.

Investment Activity – Managed Fund

Over the last twelve months the Fund has taken advantage of positive conditions for global stock markets, having been positioned with an overweight stance in equities and a comparative lack of exposure to government bonds. This position has been based on valuations and our forecast returns relative to other asset classes. Government bond yields within so-called "core" markets had fallen to such low levels that, in our opinion, they offered neither good value in terms of yield, nor protection for investors' capital.. In terms of equity allocation, there have been some tactical switches between countries. We currently have a preference for Japanese and US equities. Meanwhile, we retain an overweight stance in UK commercial property, which is based on relatively attractive return forecasts over the medium and longer term.

Corporate Governance

Our practice is to vote on all resolutions put forward at company meetings, whether Annual or Extraordinary, for the UK companies in which we invest. As the investment managers of the Fund, we see voting as one of our fiduciary duties. Scottish Widows Investment Partnership will support the incumbent board when voting, provided we are satisfied firstly, with its Corporate Governance stance and secondly, with its management of our investment as shareholders. Issues of concern to us will be raised at one of our regular meetings with the senior management of the company involved. We also utilise the Investment Monitoring Service of the Association of British Insurers (ABI) in order to highlight potential problems as they arise. Scottish Widows Investment Partnership will try to resolve matters, either directly with the company or through the ABI, and we believe this is usually a more effective approach than open confrontation at a shareholders' meeting.

Socially Responsible Investment

When investing on behalf of clients, we consider our primary objective is to achieve the best investment return while allowing for an acceptable level of risk. In pursuing this objective, we will consider a number of factors that will affect performance including Socially Responsible Investment issues. If we consider that a company's social, environmental or ethical record will adversely affect its financial performance and result in poor returns, then the stock will not be held in our portfolios.