SCOTTISH WIDOWS

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

Our ref: CSA39/MOp Quotes/Sagar Shiva Kumar

Dear Mr Patrick

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.

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.

SCOTTISH WIDOWS

Ref: **CSA39/MOp Quotes/Sagar Shiva Kumar**

Important Information
for MR ME PATRICK
Policy Z0303583 / NH205565C

Contributions Received

	ON or BETWEEN	AMOUNTS
Former Protected Rights :	05/04/1988 to 05/04/2010	£ 7029.69
Builder (Employee/Employer):	28/08/1988 to 28/08/1989	£ 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.

SCOTTISH WIDOWS

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		
	Assumed rate of return per annum	
Retirement Age **65**	-0.5%	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		
	Assumed rate of return per annum	
Retirement Age **65**	-0.5%	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**

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.

SCOTTISH WIDOWS

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	
Builder Benefits	£ 997.60	
Total Transfer Value	**£ 18959.79**	**(incl £5340.96 terminal bonus)**

Not Guaranteed

Policy Details

Name	: **MR ME PATRICK**	Date of Birth	: **06/07/1965**
Address	: **5 Long Row** **Castle Eaton** **SWINDON** **SN6 6LB**	Normal Retirement	: **06/07/2030**
Policy	: **Appropriate Personal Pension**		
Approval	: **Part 4 of the Finance Act 2004**		
ASCON	: **A7001017T**		
Reference No.	: **00605435RH**		

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

Scheme Details

Scheme ID:	Z0303583	**Payment Method:**	Level Direct Debit
Name:	PATRICK M E	**Start Date:**	23/08/1988
Address:		**Type of Policy:**	Unitised With Profits

Member Details

Name:	Mr ME Patrick	**Member ID:**	NH205565C
Address:	5 Long Row	**Status of Policy:**	PU
	Castle Eaton	**Life Insurance:**	No
	SWINDON	**Benefit:**	
	SN6 6LB	**Application Date:**	23/08/1988

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.

Effective Date	Type of Benefits	Employer (Gross)	Employee (Net)	Employee (Gross)	Former Protected Rights	Allocation (%)	Total 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	£ 25.00		100	£ 25.00	21.9298	13/02/1989
28/03/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	21.7770	13/03/1989
		£ -	£ 150.00	£ 200.00	£ 372.77		£ 572.77	511.9151	**88/89 Total**
28/04/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	21.5889	13/04/1989
05/04/1988	Government Add Rebate	£ -	£ -		£ 105.82	100	£ 105.82	90.9888	02/05/1989
28/05/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	21.4225	15/05/1989
28/06/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	21.2585	13/06/1989
28/07/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	21.0970	13/07/1989
28/08/1989	Regular Premium	£ -	£ 18.75	£ 25.00		100	£ 25.00	20.9205	14/08/1989
28/08/1989	Regular Premium	£ -	£ -			100	-£ 130.00	-114.1352	28/08/1989
05/04/1989	Government Rebate	£ -	£ -		£ 189.72	100	£ 189.72	155.5082	01/11/1989
05/04/1989	Government Add Rebate	£ -	£ -		£ 65.42	100	£ 65.42	53.6230	01/11/1989
05/04/1989	Government Tax Relief	£ -	£ -		£ 21.81	100	£ 21.81	17.8770	01/11/1989
		£ -	£ 93.75	£ 125.00	£ 382.77		£ 377.77	310.1492	**89/90 Total**
05/04/1990	Government Rebate	£ -	£ -		£ 152.77	100	£ 152.77	112.8287	03/12/1990
05/04/1990	Government Add Rebate	£ -	£ -		£ 52.68	100	£ 52.68	38.9069	03/12/1990
05/04/1990	Government Tax Relief	£ -	£ -		£ 17.56	100	£ 17.56	12.9690	03/12/1990
		£ -	£ -	£ -	£ 223.01		£ 223.01	164.7046	**90/91 Total**
05/04/1990	Government Rebate	£ -	£ -		£ 124.41	100	£ 124.41	86.3359	01/08/1991
05/04/1990	Government Add Rebate	£ -	£ -		£ 42.90	100	£ 42.90	29.7710	01/08/1991
05/04/1990	Government Tax Relief	£ -	£ -		£ 14.30	100	£ 14.30	9.9237	01/08/1991
05/04/1991	Government Rebate	£ -	£ -		£ 245.98	100	£ 245.98	169.1747	02/09/1991
05/04/1991	Government Add Rebate	£ -	£ -		£ 84.82	100	£ 84.82	58.3356	02/09/1991
05/04/1991	Government Tax Relief	£ -	£ -		£ 28.27	100	£ 28.27	19.4429	02/09/1991
05/04/1991	Government Tax Relief	£ -	£ -		£ 5.20	100	£ 5.20	3.5495	01/10/1991
05/04/1991	Government Rebate	£ -	£ -		£ 45.24	100	£ 45.24	30.8805	01/10/1991
05/04/1991	Government Add Rebate	£ -	£ -		£ 15.60	100	£ 15.60	10.6485	01/10/1991
		£ -	£ -	£ -	£ 606.72		£ 606.72	418.0623	**91/92 Total**
05/04/1992	Government Rebate	£ -	£ -		£ 377.99	100	£ 377.99	238.3291	03/08/1992
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	£ 43.45	27.3960	03/08/1992
		£ -	£ -	£ -	£ 551.78		£ 551.78	347.9067	**92/93 Total**
05/04/1993	Government Rebate	£ -	£ -		£ 358.32	100	£ 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	£ -	£ -		£ 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
		£ -	£ -	£ -	£ 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	£ -	£ -		£ 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
		£ -	£ -	£ -	£ 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
		£ -	£ -	£ -	£ 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	Employer (Gross)	Employee (Net)	Employee (Gross)	Former Protected Rights	Allocation (%)	Total 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**

SCOTTISH WIDOWS

Election Form
for
MR ME PATRICK
Policy Z0303583 / NH205565C

Please complete this form and return to Scottish Widows.

I select the following option :

	Former Protected Rights	Builder
Preserved Benefits	☐	☐
Transfer Value	☐	☐

Please tick one choice in each column.

Authority
I authorise you to deal with the benefits in consideration of the above option.

I understand that any protected tax free cash, protected retirement age, Enhanced Protection or Fixed Protection may be lost on transfer.

Scheme Member's signature ____________________ Date 28/10/14

Please complete and pass this form onto the receiving scheme or life office to complete the section below.

To be completed by the Receiving Scheme / Life Office

Name of Receiving Scheme ____________________

Address of Scheme / Life Office ____________________

____

____________________ Post Code ____________________

Bank Account details to accept the Transfer Payment (Payment will be made by BACS Transfer)

Account Name: ____________________

Sort Code: ____ ____ ____ Account Number ____________________

Any reference to be attached to payment: ____________________

PSTR Number: ____________________

The transfer will be paid to:

A registered pension scheme, as defined under Part 4 of the Finance Act 2004

Type of registered pension scheme the Transfer is being paid to (i.e. Occupational, Personal Pension, Salary Related etc): ____________________

We agree to accept the transfer value as outlined above.

Signed on behalf of the Scheme Administrators ____________________

Date ____________________

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:
http://reference.scottishwidows.co.uk/docs/44423.pdf

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.