# READY-MADE PENSIONS

INVESTMENT GUIDE

BANK OF SCOTLAND

# WHY IS IT IMPORTANT TO READ THIS DOCUMENT?

This guide explains our investment solution for customers applying for a Ready-Made Pension Account (the ‘Account’).

The default investment solution we offer for the Ready-Made Pension is based on your Pension being invested in our ‘Retirement Portfolio’. Although this is not personalised to your individual circumstances, it has been designed to meet the needs, objectives and characteristics of a typical customer looking to access their pension savings flexibly at retirement, using income drawdown.

We do not offer any other options for the Ready-Made Pension, and you are not able to select your own investment funds for this pension.

We want to make it easy to save for your retirement. Our Retirement Portfolio is designed to invest your pension for you, while managing the level of risk it is exposed to. Ready-Made Pensions is a non-advised service, so it’s important that you read this guide along with the Ready-Made Pensions Key Features Document and Terms & Conditions. These documents will help you decide if the Ready-Made Pension is right for you and understand any associated risks.

You might not yet have considered or decided how you intend to take your money at retirement. However, if you do intend to access your pension savings at retirement using a different option to income drawdown, such as an annuity or full encashment at your retirement date, the ‘Retirement Portfolio’ investment solution may not be the most suitable for you.

If you have a financial adviser you may want to speak to them, or you can find one at **www.unbiased.co.uk/find-an-adviser**. You’ll normally be charged for any financial advice you receive.

# TAKING OUT A READY-MADE PENSION

When you take out a Ready-Made Pension, we'll ask you to tell us the age at which you expect to retire.

We'll invest your money in a Retirement Portfolio that targets the five-year retirement period in which you told us you expect to retire. For example, someone who's 40 in 2024 and wishing to retire at 60, would be placed in a Retirement Portfolio that targets the years 2041-2045.

We will manage your Retirement Portfolio and the investments in it for you over the years, so you won't have to choose or manage your own investment funds.

As you approach the retirement age you have chosen, the investment strategy of your Retirement Portfolio gradually reduces the investment risk that your Pension is exposed to. This process is called 'lifestyling', and the change happens automatically.

It's important to review your situation regularly. You can change your selected retirement age for your Account at any time. This might change the way your Pension is invested, as you may move into a different Retirement Portfolio based on the five-year period that your new selected retirement age falls into.

Our investment solution is regularly reviewed and adjusted to make sure the blend of funds continues to provide the appropriate balance between risk and reward. It is designed for you to invest in funds that suits the length of time until your selected retirement age, without the need to choose your own funds.

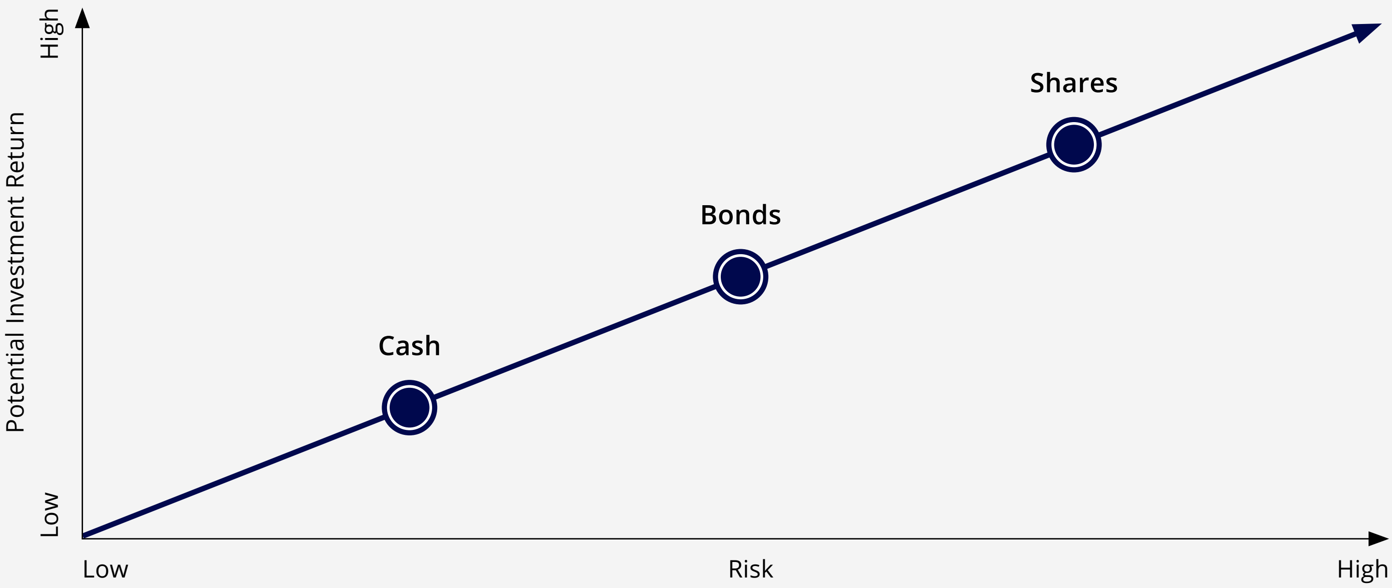
You can be reassured that we will actively look after your investment, including:

- **Ongoing governance** – we have an ongoing governance process, with input from independent governance specialists. We regularly check to ensure that the mix of assets (such as bonds and shares) in our Retirement Portfolio continues to be appropriate for its aims and risks.
- **Automatic rebalancing** – each month, the investments in your Retirement Portfolio will be rebalanced to maintain the Portfolio's set investment split.

# INVESTING AND RISK

Our Retirement Portfolios have been designed to manage the risk level of your Pension for you over the years, whilst giving your savings the chance to grow.

The graph below gives an indication of the general risk and reward for different types of investments:




With the potential for higher rewards, generally comes a higher level of risk. Within each investment type, the level of risk and the potential return can vary depending on the specific investment you are invested in.

Remember that the value of investments can go down as well as up, and you may get back less than you originally invested.

The funds we have selected for our Retirement Portfolio have a mix of investment types that aim to deliver the mix of investment risk and reward that is suitable for you.

## OUR INVESTMENT PARTNER: SCOTTISH WIDOWS

The funds in our Ready-Made Pensions investment solution are offered by our partner, Scottish Widows.

Both we and Scottish Widows are part of Lloyds Banking Group, and we work together to help our customers prepare for the future. Scottish Widows looks after more than 6 million customers across the UK, offering a range of products including investment products.

Our investment solution uses two funds from the Scottish Widows Managed Growth Fund range.

## THE SCOTTISH WIDOWS MANAGED GROWTH FUNDS

The Managed Growth Funds are designed for growth, each with a varying level of risk and potential reward based on the mix of underlying funds and the assets they are made up of.

The Managed Growth Funds are 'multi-asset' funds. This means they invest in more than one type of investment.

Each of the two funds in our Retirement Portfolio is designed to aim for different investment returns, which means they also take different amounts of investment risk.

Our Retirement Portfolio invests in a changing blend of these funds to offer you an investment solution with an appropriate level of investment risk in the years leading up to your retirement age.

The Managed Growth Funds invest in stocks and shares (also known as equities) and fixed interest investments (also known as bonds). If a fund invests in equities, it means the fund is buying a small part of a company, usually one that is listed on a stock exchange. Equities rise and fall in value, and those who own them (or funds that invest in them) can also receive a slice of the company's profits in the form of dividend payments.

Bonds are issued by a government or company to borrow money. The bond is bought by investors, who will normally receive annual interest payments and be repaid in full at a set later date. Bonds are generally considered less risky than equities but can still rise and fall in value.

In general, the more equities a fund holds, the more that fund could go up and down (also known as volatility). So, while such a fund may have more growth potential, it also has a higher chance of losing money. With bonds, it's likely that any ups and downs will be smaller, and therefore that performance should be steadier. Most investors will want to hold investments in both equities and bonds, to potentially benefit from any significant growth through equities but also to have the less volatile performance that bonds generally provide.

Remember that with investments like these there are no guarantees, and there is a risk that the value of your Pension could go down as well as up, depending on investment performance (and currency exchange rates where a fund invests overseas), and it may fall below the amount paid in.

Due to the risks associated with of holding this type of investment, you should be prepared to invest for a minimum of 5-10 years, to help give your investment time to ride out any short-term fluctuations.

You can find more information about the two Managed Growth funds in the Key Investor Information Documents at the back of this guide.

# HOW YOUR INVESTMENT CHANGES OVER TIME

We use a process called 'lifestyling' to gradually reduce the risk level of your Ready-Made Pension's Retirement Portfolio as you get closer to retirement.

If you take out a Ready-Made Pension more than 10 years from your retirement age, your Pension's Retirement Portfolio will be fully invested in the higher risk Managed Growth Fund 6, to give you the best chance of growth. This is the 'Growth phase'.

As your Retirement Portfolio reaches 10 years before its five-year target retirement date range, it moves into the 'De-risking phase', when the risk level of your investment starts to be reduced each year, through lifestyling. We gradually move some of your Pension from the higher-risk fund into our Managed Growth Fund 2, which is a lower-risk fund.  Although this reduces the growth potential of your Pension, it aims to help protect what you've built up if there are any downturns.

When you reach the five-year range of your chosen retirement age, your Retirement Portfolio will move into the 'At Retirement Phase'. From then on, most of your Pension will be invested in the Managed Growth Fund 2.

The graph below demonstrates how this works:


If you decide to change your selected retirement age for your Account, this may mean that your investment moves to a different Retirement Portfolio, with lifestyling gradually changing the blend of funds to match your new retirement age. The risk level of your Pension may increase or decrease at the time of changing your retirement age.

If you change your retirement age and then pay in further contributions to your Account, these contributions will be invested in line with the Retirement Portfolio for your new retirement date.

Please note that the lifestyling of our Retirement Portfolio is designed based on you taking your benefits flexibly when you reach your chosen retirement age. You can read more about the ways you can take your pension benefits in the 'Your Options at Retirement' section later in this guide.

# FEES AND CHARGES

There are no upfront fees when you open a Ready-Made Pension Account.

We don't take a charge if you later decide to transfer your Account to another provider.

| Type of Fee or Charge | Fee or Charge Amount |
|---|---|
| **Our Fees and Charges** | |
| **Account Charge**<br>This is taken as 12 monthly payments automatically from your Account, of one-twelfth of 0.30% of the value of your Pension that is above £20,000, subject to a minimum of £5 per month (£60 per year). | **Account Charge**<br>The Account Charge is 0.30% of the value of your Account per year, subject to a minimum of £60 per year. |
| **Fund Manager's Fees and Charges** | |
| **Ongoing Charge**<br>This applies to each fund you are invested in.<br>It is calculated daily on the value of your investment in that fund.<br>It is taken into account before any valuation of your investment in that fund is provided. | **Ongoing Charge**<br>The Ongoing Charges are specific to each fund:<br>• For Managed Growth Fund 2, it is 0.24%. For example, this would equate to £24 for a £10,000 investment.<br>• For Managed Growth Fund 6, it is 0.23%. For example, this would equate to £23 for a £10,000 investment. |
| **Transaction Costs**<br>This applies to each fund you are invested in.<br>It is calculated daily on the value of your investment in that fund.<br>It is taken into account before any valuation of your investment in that fund is provided. | **Transaction Costs**<br>Transaction Costs are specific to each fund:<br>• For Managed Growth Fund 2, it is 0.08%. For example, this would equate to £8 for a £10,000 investment.<br>• For Managed Growth Fund 6, it is 0.14%. For example, this would equate to £14 for a £10,000 investment. |

## Account Charge

### What does it cover?

The Account Charge, (sometimes referred to as the Account fee) covers our costs in providing the services required to maintain your Account. These include:

- Arranging the initial and any subsequent investments into the Retirement Portfolio
- On-line access to your up-to-date fund values and transaction history
- Ability to make withdrawals from your Account from age 55 (age 57 from 6th April 2028)

### How is it calculated?

- The Account Charge plus 0.3% of the value of your Account that is above £20,000, subject to a minimum of £60 per year.
- It is taken as 12 monthly payments automatically from the cash balance within your Account. If there is no cash available, we will arrange for part of your investment to be sold to cover the charge.

### How is it paid?

- Investments are sold at a minimum value of £10. After the Account Charge has been paid, all remaining sale proceeds will be held as cash in your Account and will be used to contribute to future fees.
- If you make withdrawals from your Pension, the Account Charge will continue to apply based on the reduced value of your Account.

# FEES AND CHARGES (CONTINUED)

## Ongoing Charge

### What does it cover?

The Ongoing Charge is applied by Scottish Widows as the manager of the relevant fund to cover all trading costs and the ongoing management of the investments that you hold in your Account.

### How is it calculated?

- The charge varies between 0.23% and 0.24% based on the value of your investment in each of the funds in your Retirement Portfolio.
- For the amount of your Pension invested in Managed Growth Fund 2 it is 0.24%.
- For the amount of your Pension invested in Managed Growth Fund 6 it is 0.23%.
- It is calculated on a daily basis and reflected in the value, so what you see online is what your holding is worth.
- The amount of Ongoing Charge you will pay will vary as the value of your holding in each fund moves up and down.
- The Ongoing Charge has the effect of reducing the value of your holding in each fund.
- The Ongoing Charge may be varied by the fund manager in accordance with the terms that govern that fund.

### How is it paid?

- The Ongoing Charge is taken daily directly from your investments and is reflect in the fund values. This means that any valuation you receive has already taken the Ongoing Charge into account.

Further information about the Ongoing Charge is set out in the Key Investor Information Document for each fund at the end of this guide.

### Transaction Costs

Transaction Costs include costs incurred by the fund manager buying or selling financial securities and instruments.

## Impact of charges – Example

Any charges you pay will reduce the value of your investment. The table below shows how charges would affect an investment of £10,000 over the course of three years, if it didn't change in value at all, or it grew by example growth rates of 2%, 5% or 8% per year:

### Amount invested £10,000

| Example growth rate | Value before charges | Impact of charges | Value after charges | Total growth before charges | Total growth after charges |
|---|---|---|---|---|---|
| 0% | £10,000 | £277.85 | £9,722 | 0.00% | -2.78% |
| 2% | £10,612.08 | £306.57 | £10,306 | 6.12% | 3.06% |
| 5% | £11,576.25 | £299.81 | £11,276 | 15.76% | 12.76% |
| 8% | £12,597.12 | £313.91 | £12,283 | 25.97% | 22.83% |

These examples are for illustrative purposes only and the actual charges and growth rates will be different for your investment. The value of any investment can go down as well as up and you could get back less than you originally invested.

These figures are based on the costs of the Scottish Widows Managed Growth Fund 6, which has an Ongoing Charge of 0.23% and Transaction Costs of 0.14% per annum. The Ongoing Charge and Transaction Costs for the fund will vary over time and are not fixed.

Please refer to the Ready-Made Pensions Terms & Conditions for further details about charges.

# YOUR OPTIONS AT RETIREMENT

You can access your pension savings at any age from 55 (rising to age 57 from 6th April 2028 in line with changing legislation). There are several options available to you for how you take your pension benefits out. You don't need to decide on this now.

You can read more about these retirement options in our Ready-Made Pension retirement guide, and in the summary below:

## Taking your pension savings as flexible income (income drawdown)

You can take up to 25% of your pension savings as tax-free cash if you want to. You can take the rest of your pension savings as a flexible income (also known as income drawdown).

Flexible income allows you to keep your pension savings invested as you want within your pension, taking an income from it when you need to.

You will need to decide how your income drawdown pension savings are to be invested.

You can choose to keep your funds invested in the same Retirement Portfolio, or you can select one of four Investment Pathway funds, and move your pension savings into a fund that is designed to broadly align with your retirement plans in the next five years.

Investment Pathways have been introduced by our regulator, the Financial Conduct Authority. They are designed to help pension savers who have moved some or all of their pension into income drawdown to invest the rest of their pension. This is based on a fund offered by their pension provider for each Pathway.

The four Pathways that you can choose from are:

**Option 1:** I have no plans to touch my money in the next 5 years.

**Option 2:** I plan to use my money to set up a guaranteed income (annuity) within the next 5 years.

**Option 3:** I plan to start taking my money as a long-term income within the next 5 years.

**Option 4:** I plan to take out all my money within the next 5 years.

Investment Pathways are not tailored to your personal circumstances and are not a substitute for financial advice.

You can find more information about Investment Pathways on our My Retirement website:

**https://scottishwidowsmyretirement.co.uk/drawdown-making-your-investment-decision/your-drawdown-investment-options-summarised/the-investment-pathways/**

## Take your pension savings as a lump sum

You can access your savings flexibly by taking a lump sum, known as an 'Uncrystallised Funds Pension Lump Sum' (UFPLS). You can take a single lump sum or a series of lump sums from your pension. Each payment will be made up of 25% tax-free cash and 75% income (which is taxed at your marginal rate).

## Take your pension savings as an annuity

You can take up to 25% of your savings as tax-free cash if you want to, and then use some, or all, of your remaining pension savings to buy a guaranteed regular income for life. This is also known as an annuity.

You can choose different features and options to protect your income for your family if something happens to you.

## Leave your pension invested

You don't have to take any money out of your pension when you reach your retirement age. You can leave some, or all, of your pension savings invested, until you are ready to take them out. There is no maximum age to retire.

As you get closer to retiring, we recommend taking some guidance or advice to help you make the best decision for your future.

## CONTACT US

If you have any questions about any of the information within this guide, you can contact us on **0330 123 5521**.

Available Monday to Friday 9am to 5pm. Calls may be recorded for training purposes.

BANK OF SCOTLAND



RMP GD 0003 (0224 IH)

# Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Managed Growth Fund 2 Gross Class L Accumulation

A sub-fund of the Scottish Widows Investment Solutions Funds ICVC.
The fund is managed by Scottish Widows Unit Trust Managers Limited, part of the Lloyds Banking Group.
ISIN: GB00BJRSQ561

## Objectives and investment policy

The Fund aims to achieve capital growth by investing in other funds to achieve exposure to a wide range of investments.

Between 50% and 75% of the Fund will provide exposure to fixed interest securities. This will include UK and overseas investment grade corporate bond funds and also government bond funds. It may also include a small exposure to high yield* corporate bond funds and emerging market bond funds. Between 10% and 35% of the Fund will provide exposure to shares. This may consist of UK, overseas and emerging markets shares. A maximum of 20% of the Fund will provide exposure to property. This may include UK and overseas property funds. The Fund may also provide exposure to absolute return strategies**.
The Fund will normally be fully invested in the above asset classes, however a small part of the Fund may provide exposure to commodities. In addition, a small part of the Fund's assets may be invested (either directly or indirectly) in cash and cash-like investments if it is felt this will be of benefit to the Fund. The funds may be actively or passively managed and include those managed by Scottish Widows Unit Trust Managers (SWUTM) and its associates. Active management is where the fund manager seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors. Passive management is where the fund manager aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.

Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short-term changes to the currency exposures of the Fund. In addition, the funds in which the Fund invests may use techniques which are not employed by the Fund itself, for example, the use of derivatives for investment purposes, stock lending and hedging. If these funds use derivatives for investment purposes it is not intended that this would raise the risk profile of the Fund.
*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating. Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk.
**Absolute return strategies aim to provide positive returns regardless of market conditions.
SWUTM does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and SWUTM's view of the prospects of each asset class.
Investors should aim to hold their investment in the Fund for the medium to long term (at least five to ten years).
Any Income received by the Fund is retained in the Fund and has the effect of increasing the share price. We calculate the value of the Fund at 12 noon daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received after 12 noon will receive the next available price.

## Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

**Typically lower rewards, lower risk** ← → **Typically higher rewards, higher risk**

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

- As this fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the fund began. The Fund is ranked at 4 because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years.
- The value of your investment and any income from it is not guaranteed and can go up and down depending on investment performance. Specific investment risks for the Fund are:
- Company shares ('equities') generally offer higher long term growth potential than some other asset classes. Values can fluctuate considerably. There's a greater risk you might not get back all of your money.
- The value of a bond / fixed interest security could fall if the issuer's credit rating falls. Values are also likely to fall if interest rates rise (but increase when interest rates fall). In addition issuers might fail to make their income payments and/or repay capital.
- The use of derivatives for Efficient Portfolio Management might not achieve the described outcomes and may result in greater fluctuations of the value of the Fund, however it is not intended that this will cause the risk profile of the Fund to change.
- Property values can go up or down. Property can be hard to sell, and values could fall if properties have to be sold quickly.
- Further details of the risks relating to investment in this Fund can be found in the Prospectus which is available on request or at our website www.scottishwidows.co.uk

## Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

| One-off charges taken before or after you invest | |
|---|---|
| Entry charge | 0.00% |
| Exit charge | 0.00% |

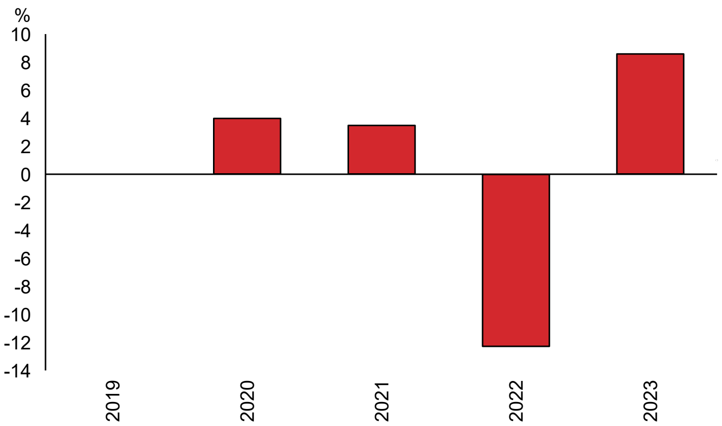
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

| Charges taken from the Fund over a year | |
|---|---|
| Ongoing charges | 0.24% |

| Charges taken from the Fund under specific conditions | |
|---|---|
| Performance fee | NONE |

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- The NURS' annual report for each financial year will include detail on the exact charges made.
- The Ongoing Charge figure is as at 30/11/23
- Please refer to the "Fees and Expenses" section of the Prospectus for more details on the charges. The Prospectus is available at www.scottishwidows.co.uk
- This share class does not operate performance fees.

## Past performance




| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Fund | | 4.0 | 3.5 | −12.3 | 8.6 |

Source: FE fundinfo 2024

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 16/09/2019.
- Share/unit class launch date: 16/09/2019.
- Performance is calculated in GBP.
- Performance is net of charges.
- Investors may assess the Fund relative to similar funds offered by other investment firms. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at www.theinvestmentassociation.org/fund-sectors
- Investors may wish to consider the performance of the Fund by looking at the performance of the "Mixed Investment 0-35% Shares Sector" which as of April 2023 has a broadly similar allocation to shares, fixed interest securities and cash. The Fund may not always align with this sector and any changes will be notified via our website www.scottishwidows.co.uk/global/fundchanges

## Practical information

- The Investment Adviser to the Fund is Schroders Investment Management Limited.
- The depositary for the Fund is State Street Trustees Limited.
- The Fund prices are available from www.scottishwidows.co.uk
- This fund is only available for existing Online Banking customers of Bank of Scotland, Halifax or Lloyds Bank. More information is available on their websites.
- The tax regime applicable is that of the United Kingdom and may have an impact on your tax position.
- Scottish Widows Investment Solutions Funds ICVC is a Non-UCITS retail scheme (NURS) with a number of different funds. This Key Investor Information Document describes a single fund of the NURS. The Prospectus and Report and Accounts are prepared for the entire NURS and are available in English and free of charge at www.scottishwidows.co.uk.
- This Key Investor Information Document is based on Share Class L (Accumulation) Gross.
- You can make switches into other shares or funds. See "Switching" in the Prospectus.
- The assets and liabilities of each fund are segregated by law. Therefore, the assets of this fund belong exclusively to it and are not available to meet the liabilities of any other fund of the Scottish Widows Investment Solutions Funds ICVC.
- Details of our remuneration policy, which includes a description of how remuneration and benefits are calculated, the identities of the persons responsible for awarding remuneration and benefits and the composition of the remuneration committee can be found here - http://reference.scottishwidows.co.uk/docs/grouppremun.pdf. A paper copy is available free of charge upon request.


This Key Investor Information is accurate as at 06/02/2024.

# Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Managed Growth Fund 6 Class L Accumulation

A sub-fund of the Scottish Widows Investment Solutions Funds ICVC.
The fund is managed by Scottish Widows Unit Trust Managers Limited, part of the Lloyds Banking Group.
ISIN: GB00BJRSQC32

### Objectives and investment policy

The Fund aims to achieve capital growth by investing in other funds to achieve exposure to a wide range of investments.
Between 65% and 90% of the Fund will provide exposure to shares. This may consist of UK, overseas and emerging markets shares. A maximum of 25% of the Fund will provide exposure to fixed interest securities. This may include UK and overseas, including emerging market, government bond funds, together with investment grade and high yield* corporate bond funds. A maximum of 20% of the Fund will provide exposure to property. This may include UK and overseas property funds. The Fund may also provide exposure to absolute return strategies**.
The Fund will normally be fully invested in the above asset classes, however a small part of the Fund may provide exposure to commodities. In addition, a small part of the Fund's assets may be invested (directly or indirectly) in cash and cash-like investments if it is felt this will be of benefit to the Fund. The funds may be actively or passively managed and include those managed by Scottish Widows Unit Trust Managers (SWUTM) and its associates. Active management is where the fund manager seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors. Passive management is where the fund manager aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark.
Derivatives may be used for the purpose of managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth (often referred to as efficient portfolio management). This includes using derivatives to make short-term changes to the currency exposures of the Fund. In addition, the funds in which the Fund invests may use techniques which are not employed by the Fund itself, for example, the use of derivatives for investment purposes, stock lending and hedging. If these funds use derivatives for investment purposes it is not intended that this would raise the risk profile of the Fund.

*Credit ratings indicate the likelihood that an issuer will be able to make their payments. Investment grade bonds have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than bonds with a lower credit rating. Non-investment grade bonds, also known as high yield bonds, have a lower credit rating than investment grade bonds, and so are considered higher risk. **Absolute return strategies aim to provide positive returns regardless of market conditions.

SWUTM does not quote a benchmark or outperformance target for the Fund. This is because the asset allocation of the Fund will change over time taking into consideration risk and SWUTM's view of the prospects of each asset class.
Investors should aim to hold their investment in the Fund for the medium to long term (at least five to ten years).
Any income received by the Fund is retained in the Fund and has the effect of increasing the share price. We calculate the value of the Fund at 12 noon daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received after 12 noon will receive the next day's price.

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

**Typically lower rewards, lower risk** — **Typically higher rewards, higher risk**

| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
|---|---|---|---|---|---|---|

- As this fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the fund began. The Fund is ranked at 5 because, based on simulated data, it would have experienced medium to high levels of volatility over the past 5 years.
- The value of your investment and any income from it is not guaranteed and can go up and down depending on investment performance. Specific investment risks for the Fund are:
- Company shares ('equities') generally offer higher long term growth potential than some other asset classes. Values can fluctuate considerably. There's a greater risk you might not get back all of your money.
- The value of a bond / fixed interest security could fall if the issuer's credit rating falls. Values are also likely to fall if interest rates rise (but increase when interest rates fall). In addition issuers might fail to make their income payments and/or repay capital.
- The use of derivatives for Efficient Portfolio Management might not achieve the described outcomes and may result in greater fluctuations of the value of the Fund, however it is not intended that this will cause the risk profile of the Fund to change.
- Property values can go up or down. Property can be hard to sell, and values could fall if properties have to be sold quickly.
- Further details of the risks relating to investment in this Fund can be found in the Prospectus which is available on request or at our website www.scottishwidows.co.uk

## Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

| One-off charges taken before or after you invest | |
|---|---|
| Entry charge | 0.00% |
| Exit charge | 0.00% |

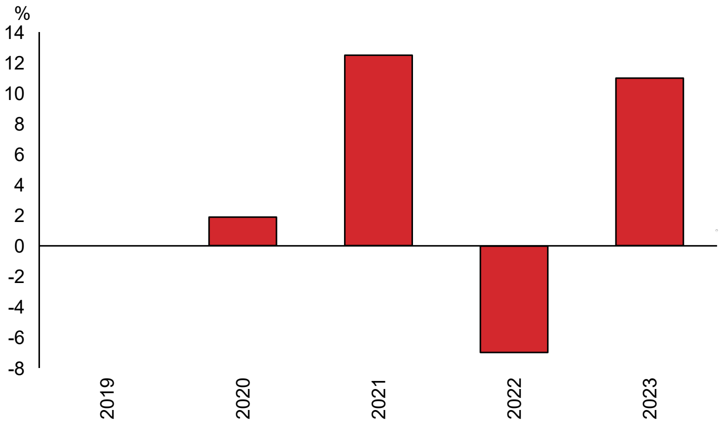
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

| Charges taken from the Fund over a year | |
|---|---|
| Ongoing charges | 0.23% |

| Charges taken from the Fund under specific conditions | |
|---|---|
| Performance fee | NONE |

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- The NURS' annual report for each financial year will include detail on the exact charges made.
- The Ongoing Charge figure is as at 30/11/23.
- Please refer to the "Fees and Expenses" section of the Prospectus for more details on the charges. The Prospectus is available at www.scottishwidows.co.uk
- This share class does not operate performance fees.

## Past performance




| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Fund | | 1.9 | 12.5 | -7.0 | 11.0 |

Source: FE fundinfo 2024

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 16/09/2019.
- Share/unit class launch date: 16/09/2019.
- Performance is calculated in GBP.
- Performance is net of charges and net of tax.
- Investors may assess the Fund relative to similar funds offered by other investment firms. The Investment Association "Mixed Assets Sectors" group funds with a range of different assets according to their allocation to shares, fixed interest securities and cash. More information on the Investment Association sectors can be found at www.theinvestmentassociation.org/fund-sectors
- Investors may wish to consider the performance of the Fund by looking at the performance of the "Flexible Investment Sector". The Fund may not always align with this sector and any changes will be notified via our website https://www.scottishwidows.co.uk/global/fundchanges

## Practical information

- The Investment Adviser to the Fund is Schroders Investment Management Limited.
- The depositary for the Fund is State Street Trustees Limited.
- The Fund prices are available from www.scottishwidows.co.uk
- This fund is only available for existing Online Banking customers of Bank of Scotland, Halifax or Lloyds Bank. More information is available on their websites.
- The tax regime applicable is that of the United Kingdom and may have an impact on your tax position.
- Scottish Widows Investment Solutions Funds ICVC is a Non-UCITS retail scheme (NURS) with a number of different funds. This Key Investor Information Document describes a single fund of the NURS. The Prospectus and Report and Accounts are prepared for the entire NURS and are available in English and free of charge at www.scottishwidows.co.uk.
- This Key Investor Information Document is based on Share Class L (Accumulation).
- You can make switches into other shares or funds. See "Switching" in the Prospectus.
- The assets and liabilities of each fund are segregated by law. Therefore, the assets of this fund belong exclusively to it and are not available to meet the liabilities of any other fund of the Scottish Widows Investment Solutions Funds ICVC.
- Details of our remuneration policy, which includes a description of how remuneration and benefits are calculated, the identities of the persons responsible for awarding remuneration and benefits and the composition of the remuneration committee can be found here - http://reference.scottishwidows.co.uk/docs/grouppremun.pdf. A paper copy is available free of charge upon request.



This Key Investor Information is accurate as at 06/02/2024.