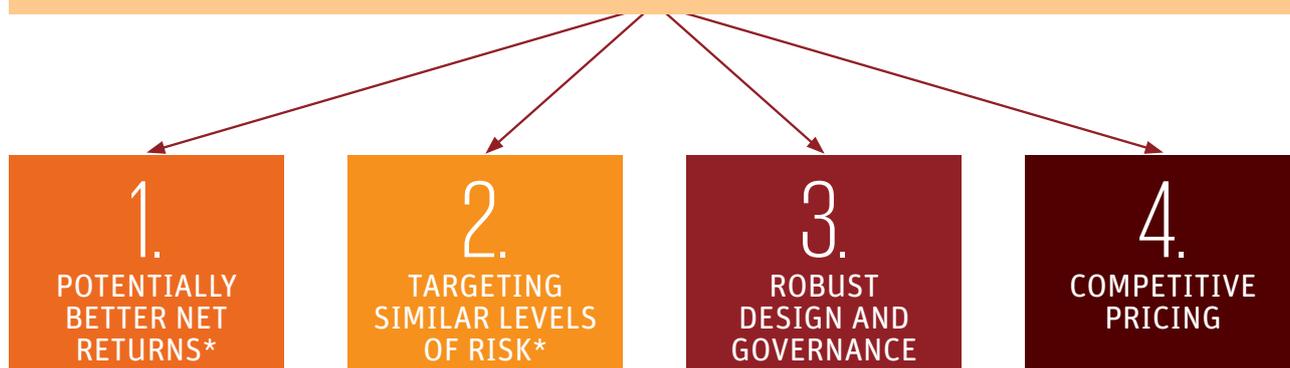


# INTRODUCING THE SCOTTISH WIDOWS PREMIER PENSION FUND RANGE

The Scottish Widows Premier Pension Fund range (Premier range) builds on our well-established original range of Pension Investment Approaches (PIA) and Governed Investment Strategies (GIS) Lifestyling options and Pension Portfolio Funds. The Premier range aims to offer better potential returns for broadly similar levels of risk.

In comparison with our original versions, the Premier range can access a much broader range of investments and use more sophisticated techniques, which are designed to improve performance. This makes the Premier range more expensive, but it means we believe that our Premier range has the potential to deliver better net returns (which means after taking the higher charges into account).

## SCOTTISH WIDOWS PREMIER PENSION PORTFOLIO FUND RANGE



\*In comparison with the original Scottish Widows Pension Portfolio Funds, Pension Investment Approaches and Governed Investment Strategies.

Please read on for a quick summary of why we believe a Premier option could be the right pension investment choice for you.

## INVESTING IN A PENSION

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Saving for your retirement will probably be one of the most important things you'll do with your money over the course of your working life.

Investing in a pension usually means paying in regular contributions throughout your working life, which will be invested in one or more investment funds. The managers of these investment funds buy and sell different types of 'assets', such as shares in companies (also known as equities), property and bonds.

The idea is that if the fund's selected assets rise in value, the fund as a whole also rises in value – and the value of your own pension pot would also rise. But the reverse is also true: if the fund falls in value then your pension pot would also fall in value. When you reach retirement, your pension pot can be used to provide you with any combination of a guaranteed fixed income for life (annuity), one or more cash lump sums and a regular variable income that's not guaranteed (known as 'drawdown'). If you're in a pension scheme organised through your work (a 'group pension') usually your employer will also contribute, adding to the total amount being invested on your behalf.

When paying into a pension, you'll need to pick the investment fund (or funds) to invest your pension in, taking into account how much risk you're prepared to take. Generally, the greater the potential reward from an investment, the greater the risk that its value could fall. So choosing to invest your pension plan in a fund with potentially higher returns, for example one that only invests in riskier assets like shares, could reward you with a high return, but could also lose a large part, or even all, of your investment.

On the other hand, choosing a fund which invests only in lower risk assets like bonds is likely to give low returns, so it's probable that you'll want to invest in at least some riskier assets to try to increase the overall value of your pension pot. Most people therefore choose to spread their investment across a mix of different assets, which is also known as 'diversification'.

To access this diversification, many investors opt for 'multi-asset' funds that can invest in a number of different areas, and are managed and adjusted by experts to suit market conditions. If this sounds like you, our Premier Pension Portfolio Funds may be what you're looking for.

But, while everyone wants to get a good overall return from their investments, not everyone wants to be actively involved with picking the mix of their investments. And there's a good chance that your attitude to risk may change over time, especially as you get closer to retirement. This could mean that one of our Premier Lifestyling options might suit you.

Please see the next section to learn more about the Scottish Widows Premier range.

Pensions are a long-term investment. The retirement benefits you receive from your pension plan will depend on a number of factors including the value of your plan when you decide to take your benefits which isn't guaranteed, and can go down as well as up. The value of your plan could fall below the amount(s) paid in.

## THE SCOTTISH WIDOWS PREMIER PENSION FUND RANGE

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The Scottish Widows Premier Pension Fund range includes the Premier Pension Portfolio Funds and our Premier Lifestyling options, which are the Premier Pension Investment Approaches (PPIA) and the Premier Governed Investment Strategies (PGIS).

Our Premier Pension Portfolio Funds are a range of eight 'multi-asset' funds, available to all Scottish Widows Group Pension customers and Retirement Account individual pension customers. The Premier Pension Investment Approaches (PPIA) Lifestyling options are primarily for employees in group pensions, and the Premier Governed Investment Strategies (PGIS) provide Lifestyling for individual pension customers.

Our Premier range combines the expertise of carefully chosen fund managers and Scottish Widows' own investment specialists to invest your money across a range of assets and funds.

The differences between our original and Premier versions are all about cost, the number and types of investments we use, and the level of potential return that we believe could be generated.

The Premier versions have higher annual charges than our original versions, but this gives them more scope to potentially generate better returns. The higher charges mean the Premier range can access a much broader range of assets and invest using more sophisticated techniques which are designed to improve performance. This means we believe that our Premier versions have the potential to deliver better returns than our original options, although it's important to note that this is not guaranteed, and any losses could have a greater impact than losses in our original options.

### Premier Lifestyling options

Our PPIA and PGIS Lifestyling options are based on our original Pension Investment Approaches and Governed Investment Strategies, and they take broadly similar levels of risk.

PPIA and PGIS work in the same way, and you can choose to invest in an Adventurous, Balanced or Cautious way, depending on how much risk you're comfortable with. PPIA and PGIS have higher annual charges than our original versions.

The core aim of 'Lifestyling' is to give your pension investment the chance to do what you'll want it to do as you move through different stages of your working life. Whether you've chosen an Adventurous, Balanced or Cautious approach, in all cases we focus on trying to grow your pension pot in the earlier years, and then take less and less risk the closer you get to retirement. Although this has the effect of reducing the potential for growth, it aims to help protect what you've built up during the run-up to your selected retirement date.

### Premier Pension Portfolio Funds

Our Premier Pension Portfolio Funds are based on our original Pension Portfolio Funds. They have higher annual charges than the original versions, but this gives you the chance to invest in a wider range of assets to potentially improve performance for broadly similar levels of risk.

And we hope that you will be able to find one or more Premier Pension Portfolio Funds that suit your attitude to risk, because the funds cover four Scottish Widows risk ratings from Adventurous to Cautious.

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

## HOW CAN I FIND OUT MORE?

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To learn more about what the Scottish Widows Premier Pension range offers, please talk to your Financial Adviser.

For full details of our Premier Pension Investment Approaches and Premier Governed Investment Strategies, including investment details, fund aims and risks, please see our 'Premier Lifestyling Options Guide'.

For full details of our Premier Pension Portfolio Funds, including investment details, fund aims and risks, please see our 'Scottish Widows Premier Pension Portfolio Funds Guide'.

A Total Annual Fund Charge (TAFC) applies to the funds and lifestyling options.

- In all cases, the TAFC for the Premier range is 0.3% higher than the equivalent original lifestyling option or Pension Portfolio Fund.
- For example, for our Retirement Account individual pension customers, the standard TAFC for our original Governed Investment Strategies is 0.1%. After adding the extra 0.3%, the Premier Governed Investment Strategies have a standard Total Annual Fund Charge of 0.4%.
- If you are joining a group pension scheme through your work, please see your scheme's charges sheet for the scheme-specific charges applying to the Premier Pension Investment Approaches.
- For further details on charges applying to the Premier Pension Portfolio Funds for our Retirement Account individual pension, please see our guide 'Retirement Account: Scottish Widows Pension Fund Charges'.

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