

The Retirement Account

Scottish Widows Pension
Fund Charges





The Scottish Widows Retirement Account combines Retirement Planning with Retirement Income, allowing you to consolidate your retirement savings in one account – whether you are planning your retirement or wishing to take retirement income.

One of the key benefits of the Retirement Account is the competitive range of investment choices – Scottish Widows Pension Funds, a Fund Supermarket, any fixed term cash deposits we choose to make available, a choice of Discretionary Fund Managers, Commercial Property (excluding former Protected Rights) and Share Dealing. This guide focuses on the comprehensive range of Scottish Widows Pension Funds offered under the Retirement Account and provides a risk rating for each fund to help choose the right investments for you.

We offer a comprehensive range of internally and externally managed funds to suit your changing lifestyle and help you to ensure your pension continues to reflect your goals and attitude to risk. For each policy part you can choose to invest in up to 20 funds at any one time. You can switch between them, currently at no extra cost, but there may be restrictions on the amount you can invest in some funds. We may change the selection of funds that we make available.

The Scottish Widows Pension Funds aim to provide long-term growth in the price of units. This is generated by a combination of capital growth as well as income that is added to the fund. A proportion of each unit-linked fund may be held in cash to provide liquidity or while awaiting suitable investments. The Scottish Widows unit-linked funds can invest in other unit-linked funds or in collective investment schemes (for example Open Ended Investment Companies (OEICs) or unit trusts) to achieve exposure to meet the stated fund aims.

To keep you fully informed about your plan, a statement showing how your Retirement Account is performing will be sent to you annually.



Your attitude to risk

With many types of investment comes risk – the risk that the value of the investment can go down as well as up, and that you might get back less than you invested. In addition, any income from the investment could go up or down.

A vital component of being able to invest with confidence and prepare for tomorrow is the certainty that you have assessed your attitude to risk and invest accordingly. You should consider how comfortable you are with the value of your investments going up and down over time.

There are many factors that you need to consider, including:

How old are you?

Your attitude to risk will normally change over time. If you are 35 years old, you may be more willing to invest for the long-term than if you are nearing retirement age. Younger people are generally more likely to take a higher level of risk when investing. Conversely, older people tend to have shorter investment timeframes than younger people as they are closer to retirement, so may be less willing and able to take a high risk with their money.

How wealthy are you?

Your total wealth may play a large part in deciding your attitude to risk. If you have a substantial amount to invest, you could potentially afford to take a higher risk and therefore aim for a higher return with some of your money while keeping the main core of your investments in lower risk investments. If you don't have a large amount to invest you may want to keep more of your money in lower risk investments.

What other investments do you have?

If you are already well provided for in retirement, you may feel that you can take more of a risk than someone who is relying on their new investments to maintain their current standard of living.

What are your investment goals?

You may be investing for your retirement as well as saving for a specific event. Your attitude to risk may be different for these two separate goals. For example, you might wish to consider taking a lower risk on your retirement fund, but may be willing to invest in assets which have a higher risk for other investment goals.

How long are you investing for?

If you are only investing for the short-term, you're generally less likely to consider taking a risk with your investments as risk is generally much greater over shorter timescales. If, on the other hand, you are considering investing over the longer term, you might be prepared to take a higher level of risk with your investments.

Remember, your attitude to risk will normally change over time. Regular reviews will help to ensure that your money is where you want it to be.

Scottish Widows investment approaches

While there are a number of ways to evaluate risk, the following definitions are used by Scottish Widows to help you decide on the appropriate investment approach for you. These definitions are explained, with examples of investments, below. Please be aware that we review the investment approach definitions and the investment approach for the funds regularly, so these may change. You can find information on current investment approaches and notification of any changes at www.scottishwidows.co.uk/investmentapproaches

The investment approaches are here to help you understand the general level of risk associated with a fund. For details of the aims and specific risks associated with the individual funds, please refer to our Pension Funds Investor's Guide.

We categorise investment periods as follows:

- **Short-term:** up to 5 years
- **Medium-term:** between 5 and 10 years
- **Long-term:** over 10 years

SECURE	Secure investments can be characterised by some or all of the following:
<p>These investments provide safety to the amount invested and can be expected to offer relatively low growth over the medium to long-term. They cannot fall in actual value, but can fall in 'real' value due to the effects of inflation.</p>	<ul style="list-style-type: none"> Investments are generally cash based A return, normally in the form of interest, which may be modest The future 'real value' or 'purchasing power' of the money could be greatly affected by inflation Assets which the investor could easily withdraw, but early withdrawal or cashing in may result in a penalty (normally loss of interest). <p>Examples:</p> <ul style="list-style-type: none"> Instant Access/Notice Accounts Bank/Building Society Term Account Fixed Term Deposit National Savings Accounts & Certificates.

CAUTIOUS	Cautious investments can be characterised by one or both of the following:
<p>These investments are expected to have a relatively modest risk to the capital value and/or income. They have the potential to provide income, and/or, over the medium to long-term, relatively modest capital growth. The capital value may fluctuate, although some products may offer an element of capital protection.</p>	<ul style="list-style-type: none"> Investments are typically in Corporate Bonds & Government Bonds (Gilts) but may have some small equity exposure Some investments may offer an element of capital protection. <p>Examples:</p> <ul style="list-style-type: none"> Corporate Bonds and Gilt funds Guaranteed Investment Bonds Mixed asset funds weighted towards bonds.

BALANCED	Balanced investments can be characterised by one or both of the following:
<p>These investments carry a risk of loss to capital value but have the potential for capital growth and/or income over the medium to long-term. Typically they do not have any guarantees and will fluctuate in capital value.</p>	<ul style="list-style-type: none"> Investments are typically split between equity related investments (mostly UK, with some overseas) balanced with other investments such as Corporate Bonds & Government Bonds Some mitigation against the effect of fluctuations in returns is achieved by spreading the investment across different asset types. <p>Examples:</p> <ul style="list-style-type: none"> Distribution Bonds Mixed asset funds with a balance between equities and lower risk assets.

PROGRESSIVE	Progressive investments can be characterised by one or both of the following:
<p>These investments are expected to have a relatively significant risk of loss to capital value, but with the potential of relatively more capital growth over the medium to long-term. They do not offer any guarantees and will fluctuate in capital value.</p>	<ul style="list-style-type: none"> Contains a significant proportion of UK and overseas equity or equity related investment The fixed-interest securities portion of an investment is used to provide portfolio diversification. <p>Examples:</p> <ul style="list-style-type: none"> Mixed asset funds weighted towards equities Diversified property funds.

ADVENTUROUS	Adventurous investments can be characterised by one or both of the following:
<p>These investments carry a relatively much higher risk of capital loss but with the potential for relatively higher capital growth over the medium to long-term. They may be subject to a considerable level of fluctuation in capital value. They do not offer any guarantees.</p>	<ul style="list-style-type: none"> A greater potential to be affected by other risks not directly related to the investment (e.g. currency fluctuations in overseas markets) All or most funds will be in equity or equity related investments. <p>Examples:</p> <ul style="list-style-type: none"> UK equity funds UK All Share Tracker funds General North American funds.

SPECIALIST	Specialist investments can be characterised by some or all of the following:
<p>These investments carry a very high risk of capital loss, but with the potential for a higher return over the long-term. They are very volatile and are only suitable for clients who can afford to, and are prepared to, risk the entire capital value. They do not offer any guarantees.</p>	<ul style="list-style-type: none"> Exposure to very high risk investments High volatility that risks the entire capital value In the case of certain options and derivative investments, there is the potential to lose significantly more than the original capital invested Some investments in this category may require a longer term investment outlook before any benefit may be expected. <p>Examples:</p> <ul style="list-style-type: none"> Options/Derivatives Enterprise Investment Schemes Geographic specialist funds Venture Capital Trusts High Volatility Fund of Hedge funds.

Scottish Widows Pension Funds

Fund Choice and Fund Charges

Scottish Widows Internally Managed Funds

Fund Names	Annual Management Charges (see note 1)	Other Expenses	Total Annual Fund Charges (see note 2)	Investment Approach
Scottish Widows Cash	0.200%	0.000%	0.200%	Cautious
Scottish Widows Cautious Managed	0.500%	0.031%	0.531%	Balanced
Scottish Widows Consensus	0.100%	0.000%	0.100%	Progressive
Scottish Widows Corporate Bond	0.450%	0.000%	0.450%	Cautious
Scottish Widows Defensive Managed	0.500%	0.023%	0.523%	Balanced
Scottish Widows Diversified Assets	0.600%	0.000%	0.600%	Balanced
Scottish Widows Dynamic Property	0.498%	0.125%	0.623%	Progressive
Scottish Widows Emerging Markets	0.600%	0.000%	0.600%	Specialist
Scottish Widows Environmental	0.200%	0.000%	0.200%	Adventurous
Scottish Widows Ethical	0.200%	0.000%	0.200%	Adventurous
Scottish Widows European	0.600%	0.000%	0.600%	Adventurous
Scottish Widows European Real Estate	0.600%	0.000%	0.600%	Adventurous
Scottish Widows Fixed Interest	0.200%	0.004%	0.204%	Cautious
Scottish Widows Global Equity	0.600%	0.000%	0.600%	Adventurous
Scottish Widows High Income Bond	0.600%	0.000%	0.600%	Balanced
Scottish Widows Indexed Stock	0.200%	0.005%	0.205%	Balanced
Scottish Widows International	0.200%	0.021%	0.221%	Adventurous
Scottish Widows Japanese	0.600%	0.000%	0.600%	Specialist
Scottish Widows Mixed	0.201%	0.017%	0.218%	Progressive
Scottish Widows North American	0.600%	0.018%	0.618%	Adventurous
Scottish Widows Pension Protector	0.200%	0.000%	0.200%	Cautious
Scottish Widows Property	0.419%	0.142%	0.561%	Progressive
Scottish Widows SafetyPlus®	0.100%	0.000%	0.100%	Balanced
Scottish Widows Specialist Global Equity	0.500%	1.000%	1.500%	Adventurous
Scottish Widows Strategic Income Bond	0.450%	0.000%	0.450%	Balanced
Scottish Widows UK All Share Tracker	0.100%	0.000%	0.100%	Adventurous
Scottish Widows UK Equity	0.200%	0.010%	0.210%	Adventurous
Scottish Widows UK Fixed Interest Tracker	0.100%	0.000%	0.100%	Cautious
Scottish Widows UK Opportunities	0.500%	0.130%	0.630%	Adventurous
Scottish Widows UK Real Estate	0.200%	0.200%	0.400%	Adventurous

Scottish Widows Externally Managed Funds

Fund Names	Annual Management Charges (see note 1)	Other Expenses	Total Annual Fund Charges (see note 2)	Investment Approach
SW Artemis UK Growth	0.950%	0.121%	1.071%	Adventurous
SW Artemis UK Smaller Companies	0.950%	0.133%	1.083%	Adventurous
SW Baillie Gifford 60:40 Worldwide Equity	0.500%	0.010%	0.510%	Adventurous
SW Baillie Gifford Japanese Equity	0.600%	0.060%	0.660%	Specialist
SW Baillie Gifford Managed	0.500%	0.010%	0.510%	Progressive
SW Baillie Gifford North American Equity	0.600%	0.000%	0.600%	Adventurous
SW BlackRock Gold & General	1.025%	0.184%	1.209%	Specialist
SW BlackRock Managed	0.500%	0.208%	0.708%	Progressive
SW BlackRock UK Absolute Alpha	0.950%	0.795%	1.745%	Adventurous
SW BlackRock UK Dynamic	0.900%	0.166%	1.066%	Adventurous
SW BlackRock UK Smaller Companies	0.900%	0.172%	1.072%	Adventurous
SW BlackRock UK Special Situations	0.900%	0.156%	1.056%	Adventurous
SW Fidelity American	0.950%	0.200%	1.150%	Adventurous
SW Fidelity European	0.950%	0.220%	1.170%	Adventurous
SW Fidelity Global Special Situations	0.950%	0.210%	1.160%	Adventurous
SW Fidelity Japan	0.950%	0.230%	1.180%	Specialist
SW Fidelity Managed	0.924%	0.202%	1.126%	Progressive
SW Fidelity MoneyBuilder Income	0.500%	0.190%	0.690%	Cautious
SW Fidelity Multi Asset Strategic	0.825%	0.330%	1.155%	Balanced
SW Fidelity South-East Asia	0.950%	0.260%	1.210%	Specialist
SW Fidelity Special Situations (2006)	0.950%	0.200%	1.150%	Adventurous
SW Henderson Fixed Interest Monthly Income	0.700%	0.256%	0.956%	Balanced
SW Henderson Higher Income	0.950%	0.240%	1.190%	Adventurous
SW Henderson Managed Distribution	0.700%	0.240%	0.940%	Balanced
SW Henderson UK Alpha	0.950%	0.260%	1.210%	Adventurous
SW Henderson UK Property	0.950%	0.128%	1.078%	Progressive

Other product charges in addition to the Total Annual Fund Charges will apply. Please see the Retirement Account Key Features and your personalised illustration(s) for details. The Total Annual Fund Charge for each fund is shown in the 'What are the Charges?' section of the illustration as 'Investment Management Charge each year'.

Scottish Widows Externally Managed Funds (continued)

Fund Names	Annual Management Charges (see note 1)	Other Expenses	Total Annual Fund Charges (see note 2)	Investment Approach
SW Invesco Perpetual Corporate Bond	0.800%	0.190%	0.990%	Cautious
SW Invesco Perpetual Distribution	0.900%	0.180%	1.080%	Balanced
SW Invesco Perpetual Global Bond	0.800%	0.190%	0.990%	Balanced
SW Invesco Perpetual High Income	0.950%	0.190%	1.140%	Adventurous
SW Invesco Perpetual Managed	0.700%	0.191%	0.891%	Progressive
SW Investec American	0.950%	0.110%	1.060%	Adventurous
SW Investec Cautious Managed	0.590%	0.110%	0.700%	Balanced
SW Investec Global Free Enterprise	0.950%	0.110%	1.060%	Adventurous
SW JPM Cautious Total Return	0.825%	0.180%	1.005%	Cautious
SW JPM Emerging Markets	0.875%	0.180%	1.055%	Specialist
SW JPM Europe Dynamic (ex-UK)	0.875%	0.180%	1.055%	Adventurous
SW JPM Managed	0.700%	0.000%	0.700%	Progressive
SW JPM Natural Resources	0.875%	0.180%	1.055%	Specialist
SW Jupiter Distribution	0.825%	0.167%	0.992%	Balanced
SW Jupiter Income	0.950%	0.199%	1.149%	Adventurous
SW Jupiter UK Growth	0.950%	0.299%	1.249%	Adventurous
SW Jupiter Undervalued Assets	0.950%	0.294%	1.244%	Adventurous
SW Newton 50:50 Global Equity	0.700%	0.050%	0.750%	Adventurous
SW Newton Global Higher Income	0.825%	0.140%	0.965%	Adventurous
SW Newton Growth	0.400%	0.140%	0.540%	Adventurous
SW Newton Higher Income	0.600%	0.110%	0.710%	Adventurous
SW Newton International Bond	0.410%	0.130%	0.540%	Balanced
SW Newton International Growth	0.410%	0.130%	0.540%	Adventurous
SW Newton Managed	0.417%	0.123%	0.540%	Progressive
SW Newton Managed Income	0.200%	0.340%	0.540%	Balanced
SW Newton Oriental	0.600%	0.150%	0.750%	Specialist
SW Newton Real Return	0.825%	0.120%	0.945%	Progressive
SW Newton UK Equity	0.700%	0.070%	0.770%	Adventurous
SW Schroder Diversified Growth	0.950%	0.190%	1.140%	Adventurous
SW Schroder European Alpha Plus	0.910%	0.170%	1.080%	Adventurous
SW Schroder Gilt & Fixed Interest	0.450%	0.061%	0.511%	Cautious
SW Schroder Global Property Securities	0.950%	0.170%	1.120%	Adventurous
SW Schroder Income Maximiser	0.950%	0.160%	1.110%	Adventurous
SW Schroder Managed	0.500%	0.160%	0.660%	Progressive
SW Schroder Tokyo	0.950%	0.170%	1.120%	Specialist
SW Schroder UK Alpha Plus	0.950%	0.150%	1.100%	Adventurous
SW Schroder UK Mid 250	0.950%	0.160%	1.110%	Adventurous
SW Schroder US Smaller Companies	0.950%	0.160%	1.110%	Specialist
SW SLI Global Absolute Return Strategies	0.950%	0.100%	1.050%	Progressive
SW SSgA 50:50 Global Equity Index	0.200%	0.000%	0.200%	Adventurous
SW SSgA Asia Pacific ex Japan Equity Index	0.200%	0.000%	0.200%	Specialist
SW SSgA Diversified Beta Strategy	0.425%	0.075%	0.500%	Progressive
SW SSgA Emerging Markets Equity Index	0.200%	0.100%	0.300%	Specialist
SW SSgA Europe ex UK Equity Index	0.200%	0.000%	0.200%	Adventurous
SW SSgA Index Linked Gilts All Stocks Index	0.200%	0.000%	0.200%	Balanced
SW SSgA Index Linked Gilts Over 5 Years Index	0.200%	0.000%	0.200%	Balanced
SW SSgA International Equity Index	0.200%	0.000%	0.200%	Adventurous
SW SSgA Japan Equity Index	0.200%	0.000%	0.200%	Specialist
SW SSgA North America Equity Index	0.200%	0.000%	0.200%	Adventurous
SW SSgA Sterling Corporate Bond All Stocks Index	0.200%	0.000%	0.200%	Cautious
SW SSgA Sterling Liquidity	0.200%	0.020%	0.220%	Cautious
SW SSgA UK Conventional Gilts Over 15 Years Index	0.200%	0.000%	0.200%	Balanced
SW SSgA UK Equity Index	0.200%	0.000%	0.200%	Adventurous

Other product charges in addition to the Total Annual Fund Charges will apply. Please see the Retirement Account Key Features and your personalised illustration(s) for details. The Total Annual Fund Charge for each fund is shown in the 'What are the Charges?' section of the illustration as 'Investment Management Charge each year'.

Scottish Widows Fund of Funds and Multi-Manager Funds

Fund Names	Annual Management Charges (see note 1)	Other Expenses	Total Annual Fund Charges (see note 2)	Investment Approach
Scottish Widows Adventurous Solution	0.680%	0.140%	0.820%	Adventurous
Scottish Widows Balanced Solution	0.500%	0.170%	0.670%	Balanced
Scottish Widows Cautious Solution	0.370%	0.210%	0.580%	Cautious
Scottish Widows Defensive Solution	0.350%	0.210%	0.560%	Cautious
Scottish Widows Discovery Solution	0.460%	0.200%	0.660%	Balanced
Scottish Widows Dynamic Solution	0.610%	0.150%	0.760%	Progressive
Scottish Widows Strategic Solution	0.590%	0.170%	0.760%	Progressive
Scottish Widows Balanced Portfolio	0.800%	0.000%	0.800%	Balanced
Scottish Widows Cautious Portfolio	0.800%	0.000%	0.800%	Cautious
Scottish Widows Opportunities Portfolio	0.800%	0.000%	0.800%	Progressive
Scottish Widows Progressive Portfolio	0.800%	0.000%	0.800%	Progressive
Scottish Widows Multi-Manager Diversity	0.600%	0.987%	1.587%	Balanced
Scottish Widows Multi-Manager Global Real Estate	0.900%	0.200%	1.100%	Adventurous
Scottish Widows Multi-Manager International Equity	0.900%	0.000%	0.900%	Adventurous
Scottish Widows Multi-Manager Select Boutiques	0.600%	1.243%	1.843%	Adventurous
Scottish Widows Multi-Manager UK Equity Focus	0.900%	0.000%	0.900%	Adventurous
Scottish Widows Multi-Manager UK Equity Growth	0.900%	0.000%	0.900%	Adventurous
Scottish Widows Multi-Manager UK Equity Income	0.900%	0.000%	0.900%	Adventurous

Other product charges in addition to the Total Annual Fund Charges will apply. Please see the Retirement Account Key Features and your personalised illustration(s) for details. The Total Annual Fund Charge for each fund is shown in the 'What are the Charges?' section of the illustration as 'Investment Management Charge each year'.

Scottish Widows Governed Investment Strategies

Please see your financial adviser for more information on the underlying Pension Portfolio Funds.

Scottish Widows Pension Portfolio Funds are only available for Retirement Account Retirement Planning only.

Fund Names	Annual Management Charges (see note 1)	Other Expenses	Total Annual Fund Charges (see note 2)
Scottish Widows Pension Portfolio One	0.100%	0.000%	0.100%
Scottish Widows Pension Portfolio Two	0.100%	0.000%	0.100%
Scottish Widows Pension Portfolio Three	0.100%	0.000%	0.100%
Scottish Widows Pension Portfolio Four	0.100%	0.000%	0.100%

Other product charges in addition to the Total Annual Fund Charges will apply. Please see the Retirement Account Key Features and your personalised illustration(s) for details. The Total Annual Fund Charge for each fund is shown in the 'What are the Charges?' section of the illustration as 'Investment Management Charge each year'.



Notes

1. The Annual Management Charges of a fund is the **sum** of:
 - a) the Scottish Widows Annual Management Charge,
 - b) if applicable, an External Fund Management Charge, and
 - c) if applicable, a Multi-Manager Fund Management Charge.

The Management Charges of **a), b) and c)** above cover fund management, administration, marketing and the cost of sales, and also for **c)** the multi-manager selection service.
2. The Total Annual Fund Charge of a fund is the **sum** of the Annual Management Charges detailed above and, if applicable, an allowance for any Other Expenses.

Other Expenses include, for example, trustees' fees, auditor's fees and regulator's fees. For the Scottish Widows Multi-Manager Diversity Fund, we've not allowed for any annual management fees or performance fees charged by investment trusts or certain investment companies which the fund may invest in. The allowance for Other Expenses can change on a regular basis.

If any of the Management Charges above or the Other Expenses change for a fund, the Total Annual Fund Charge for that fund will also change.
3. The Total Annual Fund Charge is reflected in the price of each unit.
4. This leaflet should be read in conjunction with the relevant product literature, including our 'Pensions Investor's Guide' and any Key Features illustrations.
5. The value of an investment is not guaranteed and can go up and down depending on investment performance (and currency exchange rates where a fund invests overseas).
6. Full terms and conditions are available on request from Scottish Widows. Charges, terms and limits may change.
7. We may change the selection of funds that we make available. There may be restrictions on the amount that can be invested in certain funds. Please contact us for details of any restrictions that apply.
8. We reserve the right to delay a request to sell your units in certain circumstances. The period of the delay will not be more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases. This may happen in exceptional circumstances where, for example, there is an unusually high demand for units to be cashed in. For more details please see your Policy Provisions.
9. The Total Annual Fund Charges are those current at the time of going to print.
10. SafetyPlus® is a registered trademark of Scottish Widows Plc.



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Scottish Widows plc is authorised and regulated by the Financial Services Authority. Our FSA Register number is 191517.

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