USING OUR FUND SUPERMARKET, YOU CAN INVEST IN A RANGE OF MANAGED COLLECTIVE INVESTMENT FUNDS, INCLUDING OPEN ENDED INVESTMENT COMPANIES (OEICS) AND UNIT TRUSTS. YOU CAN CHOICE FROM OVER 3,200 FUNDS, FROM OVER 200 DIFFERENT MANAGERS.

The funds invest in a range of different assets, and carry varying types and levels of risk. Before investing in a fund, you should carefully consider the available fund information, including the fund’s aims, its asset holdings, the applicable charges, and the associated risks. If you are in any doubt as to the suitability of a fund, you should speak with your financial adviser.

This guide should be read in conjunction with the Fund Supermarket List and Charges document (ref 19145), which provides more information on the funds available.

GETTING ADVICE
We strongly recommend that you seek expert financial advice before deciding if investing in the Fund Supermarket is right for you.
YOUR ATTITUDE TO RISK

Generally speaking, the higher the potential returns of an investment, the greater the risk that its value could fall, perhaps to less than was originally invested.

When choosing investments, it is important to consider this relationship between risk and return, and to understand your attitude to risk. There are many factors to consider, including:

**INVESTMENT GOALS**

If an individual is investing for their retirement as well as saving for a specific event, their attitude to risk may be different for these two separate goals. They may consider taking more risk on their long term retirement fund, but may invest in lower risk investments for short or medium term savings.

**INVESTMENT TERM**

Individuals investing for the short term, which we define as up to 5 years, are generally less likely to want to take a large degree of risk with their investment. Those investing for the longer term might be more willing to choose higher risk investments.

**AGE**

An individual’s attitude to risk can change over time. Younger people may be prepared and more likely to take a higher level of risk when investing. On the other hand, older people tend to have shorter investment timeframes, so may be less willing or able to invest in higher risk investments.

**WEALTH**

Total wealth can be a factor in deciding an individual’s attitude to risk. If they have a substantial amount to invest, they may be prepared to consider taking a higher degree of risk with some of their investment, while keeping the rest of their investment portfolio in lower risk investments.

Those with less to invest may be more inclined to invest only in lower risk investments.

**OTHER INVESTMENTS**

Individuals who have existing investments which they expect will help them maintain their current standard of living in retirement may be more willing to take greater risk with other investments.
Our Fund Supermarket provides access to over 3,200 funds, from over 200 different managers. The funds invest in a range of different assets, and carry varying types and levels of risk. Their value can go down as well as up, and you may get back less than you originally invested.

Detailed below are some of the risks that can apply when investing via the Fund Supermarket. We’ve provided this information to help you better understand the types of risk that can apply, and what these can mean for your investment. However, the list is not exhaustive.

Before investing in a fund, you should carefully consider the available fund information, including the fund’s aims, its asset holdings, the applicable charges, and the associated risks.

If you are in any doubt as to the suitability of a fund, you should speak with your financial adviser.

**MARKET RISK**

The value of investments will fluctuate with changes in the market, both local and global. These changes occur as a result of various factors, including general economic and market conditions, investor confidence, interest rate fluctuations, and political and social developments.

**INVESTING OVERSEAS**

Investing overseas can be higher risk, particularly in less well regulated or emerging markets. Investors should consider the effects of overseas tax rules and law, and the differences in auditing and other financial standards.

**DIVERSIFICATION**

Generally, the less diversified a fund is, the greater the risk that the value of the fund will fluctuate. For example, funds which invest in a limited number or range of assets can be higher risk. Also, funds which invest in assets which are ‘positively correlated’ i.e. the value of the assets tends to move in the same direction, can be higher risk than funds which invest in assets which are negatively correlated, or have little or no correlation.

**GOVERNMENT AND CORPORATE BONDS (FIXED INTEREST SECURITIES)**

The value of these investments can fall if the issuer defaults, or if their credit rating is reduced. Fluctuations in interest rates are likely to affect the value of fixed interest securities. If long-term interest rates rise, the value of the securities is likely to fall and vice versa. Higher yielding stocks carry an increased risk that the issuer will receive a reduced credit rating, or default.

**COMPANY SHARES (EQUITIES)**

A fund which invests in equities generally has the potential for higher capital growth over the longer term than funds which invest in, say, fixed interest securities. However there might be considerable fluctuations in share prices and there is a greater risk that the value of the investment will fall.
SMALLER COMPANIES
The price variations of equities issued by smaller companies might be greater than those of large companies. Smaller companies' shares tend to be bought and sold less frequently than larger companies. There may be large changes in the share price and their value could fall significantly.

PROPERTY
Property assets can take longer to buy or sell than other investments. This can delay investors accessing their investment. The value of property will normally depend on the opinion of the valuer, and will not be known for certain until the investment is sold. The amount received on sale may be less than any estimated value.

DERIVATIVES
Derivatives are often used with the aim of reducing the volatility of investment returns. However, this outcome is not guaranteed, and derivatives can increase volatility. Investors should be prepared to accept above average volatility, and the risk that they could lose part or all of their investment.

EXCHANGE RATE
Funds which invest overseas may be denominated in foreign currencies. In these circumstances, exchange rate changes can cause the value of the investment to go up or down.

EMERGING MARKETS FUNDS
Investments in emerging markets may be less well regulated than those in the UK and other established markets, and can often be higher risk. Such investments may be traded infrequently, resulting in large fluctuations in their value. There is a risk that an investor will lose part or all of their investment.

SELECT PORTFOLIO FUNDS
A fund which invests in a select or ‘focussed’ portfolio has a limited number of stocks. By investing in a select portfolio there might be greater fluctuations in value than with a wider portfolio.

ETHICAL FUNDS
These funds exclude certain companies and sectors for ethical reasons. As a result, they usually have more exposure to small and medium sized companies than an equivalent non-ethical fund, which can make ethical funds more volatile.

SPECIALIST FUNDS
These funds tend to be invested in a specific industry or type of business. They are less diversified than non-specialist funds and therefore can be subject to greater volatility and are higher risk. Specialist investments can be difficult to realise, which can affect the values that can be obtained and could delay investors accessing their investment.
If you choose to invest via the Fund Supermarket, fund management charges and expenses will be deducted from the value of your investments. These are taken regularly by the fund manager(s), and are allowed for in the calculation of the unit (or share) prices.

No initial or transaction charges apply to funds accessed via our Fund Supermarket.

The most recently published fund charges (referred to as the ‘Total Annual Fund Charge’, or ‘TAFC’), provided to us by the fund managers, can be found in the ‘Fund Supermarket List and Charges’ guide.

A separate Fund Supermarket Platform Charge will also apply. This charge is deducted monthly by cancelling units or shares, and is based on the total value your Account holds in these funds. If your Account is invested in more than one Supermarket fund, the Fund Supermarket Platform Charge will be deducted from the fund in which you have the highest value invested at the charge date.

The current Fund Supermarket Platform Charge can also be found in the ‘Fund Supermarket List and Charges’ guide.

Other product charges, in addition to the charges mentioned above, will be deducted from your Retirement Account, as will any adviser charges you may have agreed with your adviser. Please see the Key Features and your personalised illustration(s) for details.
We can accept telephone and written instructions to buy, sell or switch investments in our Fund Supermarket. Your financial adviser can take you through the stages involved in Fund Supermarket trading, or alternatively you can contact the Scottish Widows Retirement Account team on 0345 716 6733.

BUYING
- Trades will be completed at the price determined at the next available pricing point. The pricing point is determined by the fund manager.
- On receipt of confirmation that a trade has been priced, the trade value will be deducted from the relevant Control Account(s).
- We aim to settle the trade in 4 working days. Until then, the trade value is unavailable for other investment transactions.

SELLING
- We can accept an instruction to sell in percentage or monetary terms.
- Trades will be completed at the price determined at the next available pricing point. The pricing point is determined by the fund manager.
- One working day after the trade is priced, the proceeds of the trade will be added to the relevant Control Account(s) by Scottish Widows.
- Trades will be completed at the price determined at the next available pricing point. Once a trade is confirmed, the proceeds will be moved to the Control Account and will be available for further investment.

SWITCHES
- We can accept an instruction to switch investments in percentage or monetary terms.
- Switches involve sell and buy transactions.
- Once the sell trade has been confirmed, the buy trade will take place at the next available pricing point.

Before choosing to invest in a fund, you should carefully consider the available fund information, including the fund’s aims, its asset holdings, the applicable charges, and the associated risks. If you are in any doubt as to the suitability of a fund, you should speak with your financial adviser.

Restrictions may apply to certain funds. These can change from time to time. In certain circumstances, there may be delays in selling or switching Fund Supermarket investments. The range of funds made available may change. Please contact us for more details, including any restrictions that currently apply.
NEXT STEPS

For more information on the funds available within the Fund Supermarket, please refer to the Fund Supermarket List and Charges document (ref. 19145), or speak to your financial adviser or Scottish Widows.

If you decide that you want to invest via the Fund Supermarket, you should speak to your financial adviser in the first instance, or alternatively contact Scottish Widows on 0345 716 6733.