OEIC AND ISA FUNDS

SUPPLEMENTARY INVESTOR INFORMATION DOCUMENT
Incorporating the Terms and Conditions for the Scottish Widows Individual Savings Account (ISA)

Important information you need to read
THIS SUPPLEMENTARY INVESTOR INFORMATION DOCUMENT (SIID) IS DESIGNED TO BE READ ALONGSIDE THE KEY INVESTOR INFORMATION DOCUMENTS (KIIDS) FOR THE OEIC AND ISA FUNDS THAT ARE AVAILABLE FOR YOU TO INVEST IN. TOGETHER, THEY SUMMARISE IMPORTANT INFORMATION ABOUT THESE FUNDS AND PROVIDE ANSWERS TO SOME IMPORTANT QUESTIONS.

You should read these documents carefully to help you understand what you are buying, and keep them safe for future reference.

There is a separate Key Investor Information Document (KIID) for each share class of our OEIC and ISA funds, and you should ensure that you read the KIID for the share class of the fund you are considering investing in.

If you are considering making an investment via our Individual Savings Account (ISA), then you should read the ISA Terms and Conditions on page 15.

This SIID does not replace the full OEIC Prospectus which contains full terms and conditions. This is available on request free of charge and can be downloaded from our website at www.scottishwidows.co.uk

You must be a UK resident to invest in our OEIC and ISA funds. If you no longer live in the UK, you can continue to hold your investment with us. Any regular payments already in place for OEIC investments can continue, but you can’t make any additional payments. Any regular payment arrangements already in place for ISA investments must cease, and you cannot make any additional payments. If you become a resident of the United States, however, you won’t be able to continue holding your investment with us or make any additional payments.

The information in this SIID is correct as at the date of publication.

For details of other funds we have available please speak to your financial adviser.
WHAT IS AN OEIC?

An OEIC is an Open Ended Investment Company, also known as an Investment Company with Variable Capital (ICVC). These are known as open ended investments because they expand and contract by issuing or cancelling shares depending on demand. The Scottish Widows OEIC funds are sub funds within Scottish Widows OEICs. In this Supplementary Investor Information Document (SIID) we refer to the sub funds as ‘funds’. These funds are collective investment schemes which means your money is pooled with that of other investors and invested in a spread of different assets.

• Please see page 9 for a list of the funds covered by this Supplementary Investor Information Document.

• Your money, along with that from other investors, buys shares in the fund you choose. The number of shares you get depends on the amount you invest, any charges we make, and the share price. The share price will move up and down in line with the value of the investments that the fund holds.
  - If you have income shares the income is paid directly to you.
  - If you have accumulation shares, any income received by the fund is retained in the fund and has the effect of increasing the share price.

• The base currency of these funds is sterling.

WHAT ARE THE AIMS OF THE FUNDS?

Each fund aims to provide one of the following:

• capital growth, or
• income, or
• a combination of income and capital growth.

The specific objectives and investment policy for each fund are set out in the relevant Key Investor Information Document (KIID). The funds have been divided into specific investment approaches. Please see page 9 and 10 of this SIID for more information.

WHAT INVESTMENT CAN I MAKE?

• Your investment can be made directly into an OEIC fund or via an ISA or ISA transfer.

• You can top up your investment with a minimum single payment of £100 at any time.

• You can top up your monthly payment by a minimum of £10 per fund per month.

WHAT ARE THE GENERAL RISKS OF INVESTING IN AN OEIC OR ISA?

• The value of your investment and any income from it is not guaranteed and can go up and down depending on investment performance. You might get back less than you’ve invested.

• If you cash in your investment you might get back less than illustrated.

• Tax rules can change.

• You can decide in the first 30 days that you don’t want your investment. If you’ve invested a single payment, or by an ISA transfer, you might not get all your money back if the value of your investment has fallen. In the case of monthly payments into an OEIC, or via an ISA, you will get all your money back.

• Exchange rate changes might cause the value of any overseas investments to go up or down.

• For ISA transfers any income or growth you receive may be reduced. This could happen if, for example, the markets rise while the transfer is awaiting completion.

• Inflation may reduce the real value of your money in the future.

• In exceptional circumstances we may need to suspend any dealing in shares in our OEIC funds. Please see the full OEIC Prospectus for further information.

The specific risk factors for each fund are set out in the relevant KIID. You can also find details of risks in the full OEIC Prospectus which is available on request, free of charge.

CAN I INVEST VIA AN ISA?

• Scottish Widows Unit Trust Managers Limited only offers a Stocks and Shares ISA.

• If you invest via an ISA you have no personal liability to tax on any profit made or tax on any income received (please see ‘What about tax?’ on page 7).

• You can invest in a Stocks and Shares ISA if you’re 18 or over and resident in the UK for tax purposes.

• Scottish Widows Unit Trust Managers will accept Cash, Stocks and Shares ISA, Lifetime ISA and Innovative Finance ISA transfers into a Stocks and Shares ISA. Please contact us for more details.
WHAT’S THE MAXIMUM AMOUNT I CAN INVEST?

- There are no maximum amounts for investing directly in an OEIC Fund or via an ISA transfer.
- Please see the HM Revenue and Customs (HMRC) website (www.gov.uk/individual-savings-accounts) for details of the current ISA limits and details of the available ISA types.
- HM Treasury decides the maximum ISA payment limits and the limits do change.

HOW CAN I INVEST?

- There is a separate Key Investor Information Document for each share class of our OEIC and ISA funds, and you should ensure that you read the KIID(s) for the share class of the fund(s) you’re considering investing in. You will be required to sign or make a declaration to confirm that you’ve read the latest version of the KIID(s) before you invest or make additional investments. If you have not made a declaration to confirm you have read the latest version of the KIID(s), Scottish Widows will send you a declaration form to sign, and return any cheque received to you.
- You can invest directly in an OEIC fund in your own name, or jointly with up to three other people.
- For ISA investments applications must be in one person’s name only.
- If you are investing a single payment you can make your payment by cheque or debit authority.
- If you are investing monthly you must make your payments by direct debit.
- If you are investing by ISA transfer your payment must be by cheque from the other ISA manager.
- Single payments, including ISA transfers, will normally be invested using the next price following receipt and acceptance of your correctly completed application form and payment.
- If you’re paying by monthly direct debit, your first payment will be collected on a date approximately 15 working days after receipt by our administration department of your correctly completed mandate form. Future payments will be collected on this date each month, or the next working day if this falls on a weekend or bank holiday. This date may be changed by us subject to a variation of no more than 4 days after the proposed collection date. Shares will normally be bought using the next price.
- When you invest we might make a dilution adjustment (see ‘What is Dilution Adjustment’ on page 5), which could mean you get fewer shares.

WHAT DOCUMENTS WILL I RECEIVE?

- If you are investing a single payment, or by ISA transfer, you will receive a contract note and cancellation notice.
- If you are investing by monthly payments, you will receive a regular savers pack, cancellation notice and a six-monthly regular savings communication.
- An annual statement.
- An income tax voucher (OEIC only).
- Share certificates will not be issued.

WHERE ARE MY PAYMENTS INVESTED?

- We invest your payments, after any Entry Charge has been deducted, in the fund(s) you choose. Please see ‘Specific Fund Information’ on page 9 for details of the funds described in this SIID. For details of the charges, please see the relevant KIID(s) for the share class of the fund(s) you are considering investing in.
- Each fund invests in different types of investments described in the relevant KIID. Some of these funds invest in fixed interest securities (including corporate bonds). Fixed interest securities are loans made to, for example, governments, who are then expected to pay interest at a fixed rate over a set period of time, with the loan due back at the end of the period. Corporate bonds are loans made to companies. Some funds invest in a range of government and/or corporate bonds. These bonds will vary in their length of time until maturity. Some of these funds invest in equities which are shares listed on the stockmarket.
- Equity investments may offer a share in the profits of a company in the form of dividend payments. A dividend is simply the sum of money that a company decides to divide among its shareholders.
- The Balanced Growth Portfolio, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Stockmarket Growth Portfolio and Strategic Growth Portfolio funds invest principally in a range of funds which are currently and/or which have been managed or operated within the Lloyds Banking Group.
- The Balanced Portfolio, Cautious Portfolio, Opportunities Portfolio and Progressive Portfolio funds invest in a range of funds currently offered by Aberdeen Standard Investments and the Russell Investment Group. These funds are managed by a wide selection of fund managers.
- We may change the selection of funds that we make available.
• Derivatives (contracts which have a value linked to the price of another asset) may be used for transactions in respect of efficient portfolio management. This means they can be used, for example, to help reduce risk (including hedging to help manage the effect of fluctuations in currency exchange rates), to help reduce cost, or to help generate extra capital or income for a fund.

Where relevant, information on the use of derivatives within a fund can be found in the KIID. Further details are in the prospectuses.

For more information please see ‘Important Notes’ on page 14.

WHAT ARE THE CHARGES?

• Our charges cover remuneration to your adviser, expenses, profit, managing the investments and any other adjustments. The following bullets give more information.

• The different types of possible charges and other information you need to know on charges is detailed below.

Entry Charge

• An Entry Charge which is a percentage of your payment, is deducted when shares are bought. This charge is the maximum that might be taken out of your money before it’s invested and it covers the cost of setting up your investment.

Annual management charge

• An annual management charge, which is a percentage of the fund value, is deducted from each fund to cover investment management fees, accounting fees and the Authorised Corporate Director (ACD’s) own management costs. The annual management charge is calculated daily and is reflected in the share price of the fund each day. It is included in the ongoing charge for each fund.

Any commission paid to an adviser is borne out of the Entry Charge and annual management charge.

Other expenses

• Each year there are additional costs, collectively referred to as ‘other expenses’. These include depositary fees and expenses, custodian fees, registrar fees, audit fees and regulatory fees. These ‘other expenses’ are deducted as a percentage of the fund value, or charged to the fund as a fixed fee, and are included in the ongoing charge for each fund.

Some of these charges may vary from time to time and therefore the ongoing charge figures will fluctuate throughout the investment period. For ‘Fund of Funds’ the ‘other expenses’ will also be made up of underlying fund charges.

• There are transaction costs incurred by the funds when the fund manager buys and sells investments and these are paid from the funds’ capital. These costs are not included in the ongoing charge. In addition to these transaction costs, the ongoing charge does not include the Entry Charge, interest on borrowing, payments incurred because of financial derivative instruments, entry commissions, soft commissions or any other fees paid directly by the investor.

• The annual management charge and other expenses are normally taken from the income of the funds. However, for the High Income Bond, High Reserve, Strategic Income and UK Equity Income funds part or all of the annual management charge may be taken from the fund’s capital.

Ongoing charge

• The ongoing charge is made up of the annual management charge and other expenses.

• It shows the annual operating expenses of a fund. All funds covered under European legislation must highlight the ongoing charge to help customers compare the annual operating expenses of different schemes.

• Details of the charges for the share class of each fund are shown in the relevant KIID.

Fund switching

• We will make a charge if you:
  – switch funds;
  – switch your investment from an OEIC to an ISA (or vice versa); or
  – if you do both.

If you choose to switch funds you will incur a charge of up to 0.5% of the value of the shares that you are switching. Please ensure that you contact us for more details of the charges that apply on a switch.

• Please refer to the OEIC Prospectus for full details of the charges.

Additional charges information

• We can change most of the charges we make if:
  – a tax rule or law change significantly increases our costs or significantly decreases our income from charges;
  – there are exceptional circumstances which we could not reasonably have foreseen, resulting in either our costs being significantly more, or our income from charges being significantly less than we anticipated.

• If we increase our charges we will give you notice in line with the FCA Rules where appropriate.
WHAT SHARE CLASSES ARE AVAILABLE?
Each investment will be allocated to a particular share class – either A or P. The share class that your investment is allocated to will depend on the date and type of your investment as follows:

The following types of investment will have been allocated to share class A:

- Lump sum investments made before 20th February 2017
- Monthly payments set up before 20th February 2017

The following types of investment will be allocated to share class P:

- Lump sum investments made on or after 20th February 2017
- Monthly payments set up on or after 20th February 2017 and any subsequent increases
- Increases on or after 20th February 2017 to monthly payments set-up before that date

Share class P was launched on 20th February 2017.

WHAT IS DILUTION ADJUSTMENT?

- The dilution adjustment referred to earlier might affect the number of shares you receive or how much you get back when you cash them in.
  - You usually buy or sell shares in the fund at a price based on the mid-point between the buying and selling prices of the underlying investments but revised for any dilution adjustment.
  - A dilution adjustment is an adjustment which might be made to the share price of the fund and reflects the difference between the buying and selling prices of the investments of the fund and any costs incurred, including taxes.
  - A dilution adjustment means that the impact of buying or selling investments is met by those moving into or out of the fund, rather than by those who remain.
  - The ACD’s policy in relation to each fund is to apply a dilution adjustment within the criteria laid down in the relevant Prospectus.

CAN I CHANGE MY MIND?

- If you make a single payment or set up a monthly payment for the first time, you will be given 30 days to cancel if you are not completely satisfied with your investment. The 30 day cancellation period starts from the day you receive your cancellation notice.
- If you decide to cancel within 30 days and you have made monthly payments, we’ll give you your money back.

If you have made a single payment we’ll give you your money back less any fall in the investment value. This amount is calculated using the next price released after we receive your written instructions. You may not get back what you paid in.

- If you invest via an ISA and change your mind within 30 days, you’ll be free to make another ISA investment in the same tax year.
- If you have transferred another ISA to Scottish Widows and you decide to cancel within 30 days you have the following three options:
  - the ISA can be closed, and the proceeds returned to you; or
  - the ISA can be transferred back to the original manager, although the original manager may not accept it; or
  - the ISA can be transferred to any other manager.

The amount returned to you or transferred on cancellation will be your original transfer amount less any fall in the investment value. This amount is calculated using the next price released after we receive your written instructions. You may not get back what you initially transferred.

- Please send your request to the address on the cancellation notice.
- If you don’t cancel your investment it will continue.
- Please note that cancellation rights do not apply on changes to existing monthly payments.

HOW WILL I KNOW HOW MY INVESTMENT IS DOING?

- There are a number of ways for you to keep up-to-date with your investment:
  - Every 12 months we’ll send you a statement and valuation for your investment. If your investment is held in joint names, the statement will only be issued to one of you
  - A dilution adjustment means that the impact of buying or selling investments is met by those moving into or out of the fund, rather than by those who remain.
  - The ACD’s policy in relation to each fund is to apply a dilution adjustment within the criteria laid down in the relevant Prospectus.

- We produce interim and annual Long Reports, which give details about your funds, including any Prospectus changes for the relevant reporting period. These are available from us free of charge and can also be downloaded from our website at www.scottishwidows.co.uk/reportandaccounts

- You can get an up-to-date valuation by phoning us on 0345 300 2244
- You can check the fund prices and access the latest fund factsheets and KIIDs on our website at www.scottishwidows.co.uk. The value of your investment is calculated by multiplying the number of shares you hold by the share price.
• The value of your investment is calculated by multiplying the number of shares you hold by the share price.

CAN I TAKE MONEY OUT?
• Yes. You can sell some or all of your shares at any time. If you do not sell all of your shares in a fund you must leave at least £500 worth of shares in each fund. Taking money out will reduce the value of your investment.
• The withdrawal will be taken from the share class with the highest AMC.
• We’ll normally cash in your shares using the next price calculated after we receive your instructions. We might make a dilution adjustment, which could reduce what you get back.
• Money you take out will be transferred to your bank account, or we’ll send you a cheque, normally within five working days after we receive your written instructions.
• The liquidity of each fund (ie the ability to sell shares on any given day) is monitored regularly to ensure that it complies with the fund’s underlying obligations and investment strategy.
• In times where we experience very high levels of requests from investors to cash in their shares, we may defer these requests at a particular valuation point to the next valuation point in order to protect the interests of continuing investors. Please see the full OEIC Prospectus for further information.
• If you request the cancellation of a very large number of shares, we may cancel the shares and transfer assets out of the relevant fund to you. Please see the full OEIC Prospectus for further information.
• For Stocks and Shares ISAs, each investment you make counts towards the maximum overall limit for the tax year, even if you then make a withdrawal. This means that, if you invest up to your annual ISA limit then make a withdrawal or take an income, you won’t be able to reinvest that amount back into an ISA in the same tax year.
• If you want to sell some or all of your shares, please contact us using the details on page 12.

WHAT MIGHT I GET BACK?
• You’ll get back the current value of your investment when you decide to cash it in. This value isn’t guaranteed. We’ll normally calculate it using the next price after receiving your written request.
• What you get back will depend on:
  - how much you’ve paid in;
  - how long each payment has been invested;
  - how well our investments have performed;
  - whether you’ve taken an income (where the fund you invest in has income shares);
  - whether you’ve already cashed in any of your shares;
  - how much we’ve charged and expenses met by the fund; and
  - any dilution adjustment which could reduce what you get back.

WILL I RECEIVE AN INCOME?
• Some of our funds offer income shares. We pay this income every month, every 3 months or every 6 months, depending on the fund you choose. Please see the table on page 11 for further details.
• If you invest by a single payment or by ISA transfer, and you choose income shares, income will be paid to you by bank credit.
• Income payments are made up solely of interest or dividend payments.

HOW IS THE SHARE PRICE CALCULATED?
• The value of shares in a fund is based on the value of that fund’s investments, allowing for charges and expenses. Where there are both buying and selling prices of these investments we use the mid-point, but adjusted by any dilution adjustment. The price of a share is the total fund value divided by the number of shares, adjusted for charges.
• When you invest we might make a dilution adjustment, which could mean you get fewer shares.

HOW FLEXIBLE IS MY INVESTMENT?
• If you’re investing monthly, only accumulation shares are available. You can change the amount you invest at any time, but you can’t take an income from your investment.
• You can decide to stop making monthly payments, either permanently or temporarily. Please contact us for more details (see ‘How to contact us’ on page 12).
• You can switch funds at any time, subject to minimum investment requirements. If you choose to switch funds you will incur a charge of up to 0.5% of the value of the shares that you are switching, or the full Entry Charge of the fund that you are switching into. Please ensure that you contact us for more details of the charges that apply on a switch.
OEIC and ISA Funds

- The ongoing charge for the fund you switch into might be different to that for the fund from which you are switching. Details of the ongoing charge for each fund are shown in the relevant KIID.
  - Please speak to your financial adviser for details of the range of funds available.
  - A switch between funds in an OEIC, or from an OEIC to an ISA is regarded as a disposal for Capital Gains Tax purposes. A switch between funds in an ISA is not subject to Capital Gains Tax.
- You can also transfer your ISA to another manager. There is currently no charge for transferring.

CAN I TRANSFER MY ISA?

- You can ask to transfer part or all of a previous year’s investment to another ISA manager. If you want to transfer an ISA investment made in the current tax year you can only transfer the whole amount.
- To transfer to us from another ISA manager, you will need to complete and sign a Scottish Widows ISA transfer application form and send it to us. We’ll then send it to your current ISA manager.
- If you transfer in or out of your ISA or switch funds, you won’t lose any of your ISA tax benefits.
- Charges may apply on transferring an ISA from one provider to another. These charges can include, for example, entry charges and transaction costs. For the funds in this SIID we currently do not make charges to cover any transaction costs associated with the transfer. (Details of the charges for each fund are shown in the relevant KIID.) There is the potential for loss of income or growth depending on market movements while your transfer is awaiting completion.
- You can ask to transfer between the different types of ISA.
  - If you transfer your ISA in the same tax year that you subscribed to it, the amount that you have transferred will count towards your overall investment limit for that tax year and your subscriptions will be treated as if they had been made directly in to the new ISA. Following the transfer you can continue to invest provided that the total amounts subscribed do not exceed the overall annual allowance for that particular tax year.
  - You cannot invest in more than one of each ISA type in any tax year.
  - If you transfer an ISA, but the ISA is from a previous tax year, the amount that you have transferred will not count towards your overall investment limit for the current tax year.

WHAT ABOUT TAX?

- The tax regime applicable is that of the United Kingdom. This regime applies to the taxation of both income and capital gains within the funds.
- Tax rules can change.
- Tax treatment depends on your individual circumstances which may change.
- The following information applies to individuals. If you are uncertain of your tax position you should seek professional advice. This information represents our interpretation of the law and HM Revenue and Customs practice as at the date of publication. The amount of taxation of benefits described assumes that there is no change in tax or other laws affecting Scottish Widows or its investments.

Investing directly in an OEIC:

Distributions

- Some of the funds detailed in this SIID make interest distributions. These are: Cautious Portfolio, Corporate Bond, Dynamic Income Portfolio, Gilt, High Income Bond, International Bond, Managed Income Portfolio, Momentum Income Portfolio and Strategic Income.
- We pay interest distributions without deduction of income tax (otherwise referred to as ‘gross’). The gross interest payment is taxable income for self-assessment purposes.
- The rest of the funds detailed in this SIID make dividend distributions.
- Dividend distributions are classed as taxable income and, therefore, you should declare the total amount received to HMRC. Depending on your personal circumstances you may have a liability to pay tax on the total amount received to HMRC.

Capital Gains

- You may have to pay capital gains tax on any gain that you make when you cash in your shares. This might be payable if you sell your investment and make a profit (a gain). If this profit, together with any other gains you have made in that tax year, comes to more than the personal annual exemption limit for that tax year you will have to pay Capital Gains Tax.
- We have no responsibility for deducting Capital Gains Tax before we pay out your cashed in investments.
- You are responsible for declaring any income or gains from your OEIC investments to HMRC.
Inheritance tax

- When you die the value of your investment will form part of your estate for inheritance tax purposes. The money will remain invested until we receive instructions from your legal representatives.

Investing via an ISA

- You don’t have any personal liability to income tax or capital gains tax on an ISA investment.
- If you die before 6th April 2018, your investment can no longer be held as an ISA and it will remain with us until we receive instructions from your legal representatives.
- If you die on or after 6th April 2018, any ISA held will be designated a ‘continuing account of a deceased investor’ otherwise known as a ‘continuing account’.

An account will remain a continuing account until the earliest of:
- The completion of the administration of the deceased’s estate
- The closure of the account
- The third anniversary of the death of the account investor.

Investments held within a continuing account of a deceased investor continue to benefit from ISA tax advantages. Any interest, dividends or gains in respect of investments in a continuing account are exempt from tax.

- The eligible spouse or civil partner of a deceased ISA investor will be entitled to an additional ISA allowance.
  - If you die before 6th April 2018 the allowance will be equal to the value of the ISA investments at the date of death.
  - If you die on or after 6th April 2018 the allowance will be equal to the value of the ISA investments at the date of death or the value of the ISA investments at the date the ISA ceases to be a continuing account of a deceased investor.

This entitlement will be in addition to their own annual ISA allowance.

The additional ISA allowance will be available to the eligible spouse or civil partner immediately. Should they wish to use the allowance before the closure of the ISA, please be aware that the allowance will be limited to the value of the ISA at the date of death. Should the eligible spouse or civil partner wish to use the allowance on or after the completion of the administration of the estate, the APS will equal the higher of the date of death value or the value at the date the account ceased to be a continuing account.

- Your personal representatives may ask us for information about the value of your investment, which we will provide.
- When your personal representatives have proved that they are legally entitled to the money invested, they may instruct us to cash in your investment, or transfer it to another name.
- Until the shares are sold, they will be affected by daily price movements as normal.
- The value of your investment is treated as part of your estate, so your personal representatives may need to declare it for inheritance tax purposes.
- Transfers of holdings on death can only be made to UK residents.

WHAT HAPPENS TO MY INVESTMENT IF I DIE?

- If your investment is held in joint names, it will continue to be held by the surviving holder(s).
- If you die before 6th April 2018, the tax benefits of your ISA will cease from the date of death.
  - If you die on or after 6th April 2018, investments held within a continuing account continue to benefit from ISA tax advantages. Any interest, dividends or gains in respect of investments in a continuing account are exempt from tax.
- The eligible spouse or civil partner of a deceased ISA investor will be entitled to an additional ISA allowance.
  - If you die before 6th April 2018 the allowance will be equal to the value of the ISA investments at the date of death.
  - If you die on or after 6th April 2018 the allowance will be equal to the value of the ISA investments at the date of death or the value of the ISA investments at the date the ISA ceases to be a continuing account of a deceased investor.

This entitlement will be in addition to their own annual ISA allowance.

The additional ISA allowance will be available to the eligible spouse or civil partner immediately. Should they wish to use the allowance before the closure of the ISA, please be aware that the allowance will be limited to the value of the ISA at the date of death. Should the eligible spouse or civil partner wish to use the allowance on or after the completion of the administration of the estate, the APS will equal the higher of the date of death value or the value at the date the account ceased to be a continuing account.

- Your personal representatives may ask us for information about the value of your investment, which we will provide.
- When your personal representatives have proved that they are legally entitled to the money invested, they may instruct us to cash in your investment, or transfer it to another name.
- Until the shares are sold, they will be affected by daily price movements as normal.
- The value of your investment is treated as part of your estate, so your personal representatives may need to declare it for inheritance tax purposes.
- Transfers of holdings on death can only be made to UK residents.

CAN I INVEST ON BEHALF OF A CHILD?

Yes. Please contact us for details of the available investment options on behalf of a child on 0345 300 2244.
The objectives and investment policy and specific risk factors for the funds covered by this SIID are in the relevant KIID. There you will also find details of the fund’s charges.

The International Bond fund is not available for ISA investments.

INVESTMENT APPROACHES AT A GLANCE

While there are a number of ways to evaluate risk, we use the following definitions to help you decide on the appropriate investment approach for you.

The funds in this SIID have been categorised using the investment approaches, and are listed within their investment approaches opposite. Please note there are no funds with the Secure approach within this SIID.

Please be aware that we review the investment approach definitions regularly, so these may change over time.

You can find information on current investment approaches and notification of any changes at www.scottishwidows.co.uk/investmentapproaches

For other information (including how to contact us) please read pages 12 to 14 of this SIID.

INVESTMENT PERIODS

We categorise investment periods as follows:

Short-term: Up to 5 years, Medium-term: Between 5 and 10 years and Long-term: Over 10 years.
The KIID for each share class of the OEIC and ISA funds includes a Risk and Reward Indicator for the fund. This indicator is a different measure to that of our own investment approach definitions explained on page 9.

The indicator is a legally required score that we must provide for each fund. The score (between 1 and 7) indicates the level of volatility a fund has experienced over the preceding 5 years. Volatility is a measure of the rise and fall in prices and income.

The following explains our interpretation of what each score means:

1. very low levels of volatility over the past 5 years
2. low levels of volatility over the past 5 years
3. low to medium levels of volatility over the past 5 years
4. medium levels of volatility over the past 5 years
5. medium to high levels of volatility over the past 5 years
6. high levels of volatility over the past 5 years
7. very high levels of volatility over the past 5 years

Please note that the indicator can change on a regular basis.
FUND INFORMATION

This table details the income allocation dates and whether the fund makes payments of interest or dividends. For Income Shares the dates shown relate to the dates when any income is paid out. For Accumulation Shares the dates shown relate to the dates on which any income is deemed to be retained within the fund(s) for tax purposes.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Income Shares</th>
<th>Accumulation Shares</th>
<th>Income Allocation Dates</th>
<th>Interest/Dividend Distribution</th>
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<td>Yes</td>
<td>Yes</td>
<td>31st March, 30th June, 30th September, 31st December</td>
<td>Interest</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>Yes</td>
<td>Yes</td>
<td>15th of each month</td>
<td>Interest</td>
</tr>
<tr>
<td>Gilt</td>
<td>Yes</td>
<td>Yes</td>
<td>31st January, 30th April, 31st July, 31st October</td>
<td>Interest</td>
</tr>
<tr>
<td>Managed Income Portfolio</td>
<td>Yes</td>
<td>Yes</td>
<td>31st March, 30th June, 30th September, 31st December</td>
<td>Interest</td>
</tr>
<tr>
<td>Momentum Income Portfolio</td>
<td>Yes</td>
<td>Yes</td>
<td>31st March, 30th June, 30th September, 31st December</td>
<td>Interest</td>
</tr>
<tr>
<td>Balanced Growth Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>Balanced Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>Dynamic Income Portfolio</td>
<td>Yes</td>
<td>Yes</td>
<td>31st March, 30th June, 30th September, 31st December</td>
<td>Interest</td>
</tr>
<tr>
<td>High Income Bond</td>
<td>Yes</td>
<td>Yes</td>
<td>15th of each month</td>
<td>Interest</td>
</tr>
<tr>
<td>International Bond</td>
<td>Yes</td>
<td>Yes</td>
<td>31st May, 30th November</td>
<td>Interest</td>
</tr>
<tr>
<td>Strategic Income</td>
<td>Yes</td>
<td>Yes</td>
<td>15th of each month</td>
<td>Interest</td>
</tr>
<tr>
<td>High Reserve</td>
<td>Yes</td>
<td>Yes</td>
<td>31st January, 30th April, 31st July, 31st October</td>
<td>Dividend</td>
</tr>
<tr>
<td>Opportunities Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>Progressive Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>Stockmarket Growth Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>Strategic Growth Portfolio</td>
<td>No</td>
<td>Yes</td>
<td>30th June</td>
<td>Dividend</td>
</tr>
<tr>
<td>American Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>Environmental Investor</td>
<td>No</td>
<td>Yes</td>
<td>30th April</td>
<td>Dividend</td>
</tr>
<tr>
<td>Ethical</td>
<td>No</td>
<td>Yes</td>
<td>30th April</td>
<td>Dividend</td>
</tr>
<tr>
<td>European Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>European Select Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>Global Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>Global Select Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>UK Equity Income</td>
<td>Yes</td>
<td>Yes</td>
<td>30th April, 31st October</td>
<td>Dividend</td>
</tr>
<tr>
<td>UK Growth</td>
<td>No</td>
<td>Yes</td>
<td>30th April</td>
<td>Dividend</td>
</tr>
<tr>
<td>UK Select Growth</td>
<td>No</td>
<td>Yes</td>
<td>30th April</td>
<td>Dividend</td>
</tr>
<tr>
<td>UK Smaller Companies</td>
<td>No</td>
<td>Yes</td>
<td>31st May</td>
<td>Dividend</td>
</tr>
<tr>
<td>UK Tracker</td>
<td>Yes</td>
<td>Yes</td>
<td>31st May, 30th November</td>
<td>Dividend</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>No</td>
<td>Yes</td>
<td>31st May</td>
<td>Dividend</td>
</tr>
<tr>
<td>Japan Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
<tr>
<td>Latin American</td>
<td>No</td>
<td>Yes</td>
<td>31st May</td>
<td>Dividend</td>
</tr>
<tr>
<td>Pacific Growth</td>
<td>No</td>
<td>Yes</td>
<td>31st January</td>
<td>Dividend</td>
</tr>
</tbody>
</table>
OTHER INFORMATION

HOW TO CONTACT US

If you’ve any questions at any time or any changes you want to make to your investment, please contact us. You can phone us, send us a fax, or write to us.

Call us on 0345 300 2244 during the following times:
Monday to Friday 8am – 6pm

We may record and monitor calls to help us to improve our service.

OEIC Dealers 0345 845 0066
Fax Number 0345 758 1950
Website www.scottishwidows.co.uk
Address Scottish Widows
Unit Trust Managers Limited,
PO Box 28015, 15 Dalkeith Road,
Edinburgh EH16 5WL

HOW TO COMPLAIN

• If you ever need to complain, first contact us at Scottish Widows Unit Trust Managers Limited using the details shown earlier.
• If you’re not satisfied with our response, you can complain to:
  The Financial Ombudsman Service
  Exchange Tower, London E14 9SR
  Telephone 0800 023 4567
  Email complaint.info@financial-ombudsman.org.uk
  Website www.financial-ombudsman.org.uk/contact
• Complaining to the Ombudsman won’t affect your legal rights.
LAW AND LANGUAGE

- For legal purposes the law of England and Wales will apply.
- Any communication sent to you will be in English.

ABOUT THIS SUPPLEMENTARY INVESTOR INFORMATION DOCUMENT

- This information represents our interpretation of the law and HMRC practice as at the date of publication. The amount and taxation of benefits described assumes that there is no change in tax or other laws affecting a fund or its investors.

MANAGEMENT AND REGULATION

- The ACD, Registrar and ISA Manager is Scottish Widows Unit Trust Managers Limited whose business address is PO Box 28015, 15 Dalkeith Road, Edinburgh EH16 5WL. Scottish Widows Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority.
- The Depositary is State Street Trustees Limited, 525 Ferry Road, Edinburgh EH5 2AW. The Depositary is authorised and regulated by the Financial Conduct Authority.
- The Investment Adviser is Aberdeen Standard Investments Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom. Member of the Aberdeen Standard Investments group of companies. Registered in England and Wales No. 794936. Registered Office: Bow Bells House, 1 Bread Street, London EC4M 9HH.
- Russell Investments of Rex House, 10 Regent Street, London W14 4PE (‘Russell’), has been appointed by Aberdeen Standard Investments to provide expert advice and assistance in respect of the asset allocation of the Balanced Portfolio Fund, Cautious Portfolio Fund, the Opportunities Portfolio Fund and the Progressive Portfolio Fund in accordance with each such fund’s investment objectives and policy. Russell is regulated and authorised by the Financial Conduct Authority.
- The Auditors are PricewaterhouseCoopers LLP, Level 4, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.
- The Competent Regulatory Authority is the Financial Conduct Authority (FCA) whose business address is 25 The North Colonnade, Canary Wharf, London E14 5HS.
- As ISA manager we are regulated by HM Revenue & Customs, www.gov.uk

FEE AND COMMISSION SHARING ARRANGEMENTS

- The investment adviser, a subsidiary of Aberdeen Standard Investments plc, is authorised to, and has, entered into commission sharing arrangements with certain third party brokers, where a broker remunerated out of the assets of the scheme has agreed to split its remuneration with another broker and which results in that other broker meeting expenses through this commission sharing arrangement that should normally be met out of the assets of the scheme.
- Scottish Widows Unit Trust Managers Limited may enter into fee sharing arrangements.

INVESTOR CASH BALANCES

- Any investor cash balances (which is money held on behalf of an investor) shall be deposited with companies within the Lloyds Banking Group or with such other bank or building society as we may nominate from time to time. The cash will be held in a segregated account, separate from any account used to hold money belonging to us in our own right. We will not, however, be responsible for any acts or omissions of the bank or building society. If the bank or building society becomes insolvent, we will have a claim on behalf of our clients against the bank or building society. If the bank or building society cannot pay all of its creditors, any shortfall may have to be shared pro rata between them. However, you may be entitled to compensation under the Financial Services Compensation Scheme, details of which are available on request. Interest will not be paid on any cash held in client money accounts (an account where investors’ money may be held).

CLIENT MONEY AND ASSET RULES

- In some circumstances, depending on the nature of your transaction with us, we will make use of the ‘Delivery versus Payment’ exemption within the Financial Conduct Authority’s client money and asset (CASS) rules. This means that when you pay money into, or withdraw money from, your investment there could be a period of time (up to the end of the business day after the date we have received the money) where your money is not protected under the CASS rules. In such cases, if we were to become insolvent during that period, there is a risk that you may not receive your money back.
FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

- OEIC funds are not directly covered by the Financial Services Compensation Scheme (FSCS), however Scottish Widows Unit Trust Managers Limited (SWUTM) is covered as the Authorised Corporate Director (ACD). The FSCS will not cover financial loss in the course of normal OEIC investment business if SWUTM is still solvent, including losses due to counterparty failure. However an investor may be entitled to compensation from the FSCS if SWUTM cannot meet its obligations (for example, if SWUTM were to become insolvent or unable to meet the claims against it resulting in you suffering a financial loss). A customer’s entitlement to a claim depends on the type of business and the circumstances of the claim. Customers would be potentially covered by the FSCS for 100% of their claim up to a maximum of £50,000. If a customer holds more than one investment with SWUTM, this limit applies to the total value of all claims the customer has against the firm.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme, who can be contacted on 0800 678 1100 or 0207 741 4100 or via their website at www.fscs.org.uk

MONEY LAUNDERING REGULATIONS

- Under these regulations, there’s a requirement to prove the identity of people who wish to take out a life, pension or investment contract. You may therefore be asked to supply documents as evidence of your identity and your address. Please see the application form for further details.

IMPORTANT NOTES

If an application is received which is not fully completed and does not have all of the details required by the regulations, it will be returned to you and your investment will not be opened. However, in some circumstances we will still be able to open your investment and will write to you for the missing information.

Full terms and conditions are available in the OEIC Prospectuses. These are available on request from us. Charges, terms and limits may change.

The UK Tracker Funds are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (‘FTSE’) or by the London Stock Exchange Plc (the ‘Exchange’) or by the Financial Times Limited (‘FT’) and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100 Index (‘the Index’) and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange or FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein.

‘FTSE®’, ‘FT-SE®’ and ‘Footsie®’ are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. ‘All-World’, ‘All-Share’ and ‘All-Small’ and ‘FTSE4Good’ are trade marks of FTSE International Limited.

We may enter into certain derivative transactions in respect of the Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook for the purpose of the efficient portfolio management of the funds.

Derivatives (contracts which have a value linked to the price of another asset) may be used for transactions in respect of efficient portfolio management. This means they can be used, for example, to help reduce risk (including hedging to help manage the effect of fluctuations in currency exchange rates), to help reduce cost, or to help generate extra capital or income for a fund.

Information on their use for a fund can be found in the fund’s KIID. Further details are in the prospectuses.

We may also write call or put options, with a view to generating additional benefit for the OEIC, on property which the OEIC holds or may properly hold.

- An option is a type of derivative that allows the holder to buy or sell assets at an agreed price at a specified time in the future. They are sold by one party to another and offer the buyer the right, but not the obligation, to buy (call) or sell (put) an asset at an agreed price during a certain period of time or on a specific date.

The Depositary may, at our request, enter into stocklending, this is to say a transaction by way of disposal of property in the OEIC and re-acquisitions of equivalent property but only in accordance with the FCA’s Collective Investment Schemes Sourcebook.

Each of the funds will be managed in accordance with the Investment & Borrowing Powers set out in the Prospectus of the relevant OEIC, and comply with the regulations within the FCA’s Collective Investment Schemes Sourcebook.

Copies of the Prospectus and the Instrument of Incorporation relating to each OEIC are available from the Authorised Corporate Director for inspection during Normal Business Hours. Copies will be supplied to any shareholder on request. All the funds detailed in this SIID are sub-funds of OEICs which are managed by Scottish Widows Unit Trust Managers Limited and which are authorised under Regulation 14 of the Open Ended Investment Companies Regulations 2001.
These terms and conditions (the Terms and Conditions) together with the Supplementary Investor Information Document (SIID) for the Fund(s) in which you invest, explain the relationship between you and us. You can use your Scottish Widows ISA to invest in one or more of the Funds. You should read these Terms and Conditions carefully together with the KIID for the share class of the Fund into which you are considering making an investment.

1. DEFINITIONS

Certain words and expressions in these Terms and Conditions have particular meanings. This section explains what they mean.

- **Account**: your total investment in your Scottish Widows Individual Savings Account (ISA).
- **Accumulation Shares**: shares which automatically retain any income they earn. Any tax we reclaim on Income Distributions will be used to buy additional accumulation shares.
- **Cancellation Notice Period**: the number of days set out in the SIID during which you may cancel this agreement under the provisions of Section 7.
- **ICVC**: Investment Company with Variable Capital (see OEIC).
- **Income Distribution**: income from your shares which is either paid to you or increases the value of the shares you hold.
- **Income Shares**: shares which make payments of the income they earn to you, rather than retaining it.
- **ISA Manager**: the manager of your ISA. In the case of the Scottish Widows ISA this is Scottish Widows Unit Trust Managers Limited.
- **ISA Regulations**: The Individual Savings Account Regulations (1998) as amended or re-enacted from time to time.
- **Key Investor Information Document (KIID)**: there is a separate KIID for each share class of our OEIC and ISA funds. This contains information that will help you understand the nature and the risks of investing in the fund. This is intended to enable you to make an informed decision about making an investment.
- **OEIC**: Open Ended Investment Company, being a collective investment that pools together investors’ money to achieve a spread of investments. An OEIC is set up as a company and governed by specially written company law.
- **Prospectus**: a document drawn up by us which contains information about the OEIC and its Sub funds and which complies with the relevant rules of the Financial Conduct Authority.
- **Qualifying Individual**: an individual who, in the case of a Cash ISA, is 16 years of age or over or, in any other case, is 18 years of age or over who is resident in the United Kingdom for tax purposes. Crown employees and their spouses/civil partners who are not resident in the United Kingdom may qualify.
- **Scottish Widows**: Scottish Widows Unit Trust Managers Limited.
- **Sub fund**: a fund of an OEIC to which specific assets and liabilities of an OEIC may be allocated and which is invested in accordance with its own investment objective. These are referred to as funds throughout the remainder of this document.
- **Subscription**: any payment you make to a Scottish Widows ISA.
- **Supplementary Investor Information Document (SIID)**: information in respect of the funds and the Scottish Widows ISA which we make available to you as required by the relevant rules of the FCA, which, in general terms, is intended to enable you to make an informed decision about making an investment.
- **US Resident**: for purposes of US Dodd-Frank Act, any person resident in the United States, including Crown Agents and their spouse or civil partner, not using a UK Diplomatic Address.
- **we/us/our**: Scottish Widows Unit Trust Managers Limited.
- **you/your**: the shareholder or his/her legal successor(s).

2. ABOUT INDIVIDUAL SAVINGS ACCOUNTS (ISAS)

An ISA is an investment which qualifies for exemption from personal taxation under the ISA Regulations. This means you can currently invest in OEIC funds through an ISA and not have any personal liability to tax on any income or capital gains. (Please see Section 9 ‘Taxation’.)

You and your partner can both take out an ISA each tax year providing you are eligible. There are a number of different types of ISAs available and you can choose to invest in some or all of them. The Scottish Widows ISA is a Stocks and Shares ISA.

The Scottish Widows ISAs are Stocks and Shares ISAs.

In the current tax year you can pay into all the different types of ISA.
If you pay into one type of ISA with one provider, you can also invest, within the subscription limit, into another type of ISA with either the same or a different provider.

You can invest in our OEIC funds via an ISA managed by Scottish Widows. An ISA should be viewed as a medium to long-term investment (this is an investment held for at least five to ten years). Please remember that the value of an investment, and any income from it, is not guaranteed and can go up and down depending on investment performance (and currency exchange rate changes where a fund invests overseas).

If you become a US Resident you will not be able to continue holding your investment with us.

### 3. PAYMENT LEVELS

There are limits on the Subscriptions that you can make to an ISA in each tax year. Please refer to your SIID for details.

If you change your mind and exercise your cancellation rights (your SIID tells you how many days you have to do this) your ISA Subscription DOES NOT count as a Subscription to an ISA in that tax year. In addition, you are free to make another ISA Subscription with an ISA Manager within that tax year without the loss of tax benefits.

A request to sell your shares and close your Stocks and Shares ISA other than by exercising your cancellation rights, will, even if received within the cancellation notice period, be treated as a normal request to sell your shares. This means that you will not be able to make any payments into a Stocks and Shares ISA (with us or any other ISA Manager) until the following tax year. Cancelling a Stocks and Shares ISA will not affect your right to invest in a different type of ISA with another ISA Manager.

### 4. TO QUALIFY AS AN ISA INVESTOR

For you to be eligible to invest in an ISA, you must be a Qualifying Individual (see definition in Section 1).

### 5. STATEMENTS AND REPORTS

Every 12 months we will send you a statement and valuation for each Fund in which you invest. The annual and interim long report is available on request from us.

### 6. TITLE – OWNERSHIP OF YOUR ISA AND SECURITY

When you invest in an ISA your fund holding will be registered jointly in your name and ours (or that of our nominee), but you are and must remain the sole beneficial owner of the shares. This means that you must not use the shares as security for a loan.

It is not Scottish Widows’ practice to issue share certificates.

We must act on your instructions or those of your personal representatives. As a holder of a Scottish Widows ISA you are entitled to attend any OEIC shareholder meetings, to vote and to receive any other information issued to shareholders. If you would like to exercise any of these rights, please contact us.

We reserve the right to request additional information or proof of identity, or any other relevant information in line with requirements on us under the Money Laundering Regulations and in order to validate elements of the sales transaction. Such requests are designed with security of clients’ investments in mind and may delay the despatch of any sale proceeds.

When withdrawing monies, it is possible for you to state the time period between your initial request to withdraw and completion of the withdrawal process, from an immediate withdrawal up to a maximum time period of 30 days. Please contact us for more details.

You authorise us to give HM Revenue & Customs (HMRC) information it reasonably requests, and to make claims, conduct appeals and agree the tax position in respect of your ISA.

### 7. YOUR RIGHT TO CHANGE YOUR MIND

You will be given a number of days (your Cancellation Notice Period) to cancel the agreement if you are not completely satisfied with your investment. The Cancellation Notice Period starts from the day you receive your cancellation notice. If you decide to cancel and you have made monthly payments, we will give you your money back. If you decide to cancel and you have made a single payment we will send you a cheque for the lower value of either:

- your original payment; or
- the value of your investment calculated using the next price released after we receive your written instructions to cancel at our Administration Department.

If the price of the shares has fallen between the dates of your original payment and cancellation, you will receive less than you paid for them. If you change your mind
within the Cancellation Notice Period, you’ll be free to make another ISA Subscription in the same tax year. If you have transferred another ISA to us and you decide to cancel within the Cancellation Notice Period, you have the following three options:

- the ISA can be closed, and the proceeds returned to you; or
- the ISA can be transferred back to the original manager, although the original manager may not accept it; or
- the ISA can be transferred to any other ISA Manager.

The proceeds returned to you or transferred on cancellation will be the lower value of either:

- your original transfer amount; or
- the value of your investment calculated using the next price released after we receive your written instructions to cancel or transfer at our Administration Department.

If the price of the shares has fallen between the dates of your original transfer request and cancellation, you will receive less than you initially transferred.

If you don’t cancel your investment, it will continue.

If you are in any doubt as to whether an ISA is suitable, you should seek financial advice.

8. CHARGES

Details of the charges for each of the funds can be found in the relevant KIID together with information about the fees and expenses that may be charged to each of the funds. Please contact us if you require further information.

9. TAXATION

There will be no personal liability to UK income tax on any income your ISA produces and no capital gains tax to pay when you sell or transfer your ISA.

Dividends received on shares held in an ISA are tax free.

For OEIC funds which make payments of interest:

- If you hold Accumulation Shares, any tax that is reclaimed from HMRC will purchase additional Accumulation Shares, when received from HMRC.

The value to an investor of the tax benefits of an ISA will depend on personal circumstances, which may change. Tax rules can change.

10. TRANSFER OF AN ISA

a) Transferring an existing ISA to us

If you have an ISA with another company, you can transfer it into a Scottish Widows Stocks and Shares ISA. The minimum amount we will accept for the fund you select will be in the SIID. We will reinvest the amount transferred, less any charges, into one or more of our funds available through a Scottish Widows ISA.

We will not charge for arranging the transfer but the ISA Manager of the existing account(s) may make a charge.

b) Transferring your Scottish Widows ISA to another ISA Manager

You may request that your ISA be transferred to another ISA Manager subject to the deduction of any amounts due under these Terms and Conditions. To do this you must first contact the ISA Manager that you wish to transfer to and request that they send us the relevant documentation in order for us to be able to complete the transfer. Following receipt of this documentation, we will encash your shares and pay the proceeds to your chosen approved ISA Manager. (Please note shares will be sold in accordance with the provisions of the Prospectus for the fund you are transferring from. This may involve us applying a dilution adjustment which could reduce the amount transferred).

You may request a whole or partial transfer in respect of that part of the investment in your Account which was acquired with Subscriptions made in earlier tax years. Investments held in your Account which were acquired with Subscriptions made in the then current tax year must be transferred out in whole.

It is possible for you to state the time period between your initial request to transfer to another ISA Manager and the completion of the transfer process, from an immediate transfer up to a maximum time period of 30 days. Please contact us for further details.

In the case of ISA transfers any income or growth received may be reduced. This can happen if, for example, the markets rise while the transfer is awaiting completion.
11. MANAGEMENT AND ADMINISTRATION OF YOUR ISA
We act as Manager of your ISA and have been approved to do so under the ISA Regulations. We have the right to appoint another company to act as Manager in our place. However, any new Manager must also be approved under the ISA Regulations.
We may delegate some or all of the administration of your ISA to a third party, but we must first satisfy ourselves that the proposed party is competent to carry out the administration in accordance with the ISA Regulations.

12. THE END OF YOUR ISA
We have the right to give reasonable written notice (at least 30 days) to end your ISA if legislation or regulations make it impractical to carry on or if you are in material breach of any of these provisions. Your ISA will come to an end automatically if it becomes void under the ISA Regulations.
We will notify you if, by any reason of failure to follow the ISA Regulations, your ISA has or will become void.
If you are making monthly payments, subject to any concessions we may offer from time to time, we will bring your ISA to an end by reasonable written notice if you decide to stop making regular payments and at that time the value of the shares in your Account of any one fund is less than £500. We may also bring your ISA to an end if you have invested a single payment and the value of the shares in your ISA of any one fund is less than £500.
No additional payment shall be required to be made to the ISA Manager in respect of termination, save that the ISA Manager shall receive:
i) all sums, owing or accrued, due to it under these terms; and
ii) any additional expenses which it necessarily incurs in terminating the account due to the sale of investments or otherwise; and
iii) any losses necessarily incurred in settling or concluding outstanding obligations.
The ISA Manager may also retain an amount, if any, representing tax which is or may become payable in respect of the Account.
If you die prior to 6th April 2018, your Scottish Widows ISA will cease immediately upon your death and your investment will no longer be treated as an ISA.
If you die on or after 6th April 2018, your Scottish Widows ISA will get designated as a continuing account of a deceased investor. Investments held within a continuing account of a deceased investor continue to benefit from ISA tax advantages until it ends. Please refer to the ‘What about Tax?’ section of your SIID for more information.
If, after a period of three years, the administration of the account is ongoing and the account has not been closed, the account will cease to be a continuing account. In these circumstances, on the next working day following the third anniversary of your death, the ISA wrapper will be removed from the account and all subsequent income or gains will then become taxable in the hands of the estate.
Your investment value will still be subject to the performance of the Fund(s) as normal until further instructions are received from your legal personal representatives. We may then, on receipt of a death certificate relating to you, and subject to such other formalities as we may specify, either transfer the investments to your legal personal representative(s) or sell all of the investments held within the Account. You agree that the provisions of these Terms and Conditions shall bind your legal personal representative(s).

13. CLIENT MONEY
Any investor cash balances (which is money held on behalf of an investor) shall be deposited with companies within the Lloyds Banking Group or with such other bank or building society as we may nominate from time to time. Interest will not be paid on any cash held in client money accounts (an account where investors’ money may be held).

14. CHANGING THESE TERMS AND CONDITIONS
We may need to change these Terms and Conditions:
• in order to stay within legislation, regulations or HMRC requirements;
• to protect existing holders;
• to ensure the efficient administration of your ISA.
If any cost arises from this change we will only pass it on to you in accordance with these Terms and Conditions.
We will comply with any legal requirements in connection with giving you notice about a change. If there are no legal requirements in force, we will still give you reasonable notice (at least 30 days) of the change.
15. THE SCOTTISH WIDOWS ISA – MAKING PAYMENTS

Amounts that you invest in the Scottish Widows ISA will be used to buy shares in the fund(s) of your choice. The SIID for the fund(s) you are considering for investment will tell you if you can invest with single payments, regular payments, or both and what the minimum and maximum payment amounts are.

We reserve the right to add to or remove the funds offered via an ISA. Please contact us to find out which funds are currently available.

16. SWITCHING

You may sell your shares in your chosen fund(s) and simultaneously reinvest the proceeds in one or more of our other funds currently offered via an ISA (subject to minimum requirements). Once we have received and accepted your written instructions at our ISA Administration Department, your shares will be sold and new shares purchased at the next price after your request is received.

The entry charge and the ongoing charge for the fund you switch into might be different to those for the fund from which you are switching. For further details, please refer to the relevant KIID. Please contact us for details of any discounts that may apply to the entry charge of the fund you are switching into.

It may be possible for you to exchange shares from a fund offered through a Scottish Widows OEIC investment into a Scottish Widows ISA. We can provide you with more details of this service.

A switch from an OEIC to an ISA is regarded as a disposal for Capital Gains Tax purposes. A switch between funds within an ISA is not subject to Capital Gains Tax.

17. INVALID ISAS

You may be notified directly by HMRC if it appears that your ISA is invalid. Alternatively, we shall notify you that you should contact HMRC regarding your ISA if we identify any failure to satisfy the provisions of the ISA Regulations which may mean your ISA is invalid. In either case, no steps will be taken to repay any invalid payments until full instructions on the treatment of any invalid payments are provided by HMRC.

Treatment of Invalid Payments

If HMRC instructs us that any payments must be removed from your ISA we will do this by removing the investments that these payments have bought. We will normally do this by transferring the invalid amounts to a standard OEIC investment in the same fund. Where for any reason this proves impossible we will sell the investments purchased with the invalid payments and remit the proceeds to you.

Treatment of Income Distributions on Invalid ISAs

We may also remove from your ISA the income amount, whether it has been paid or is payable. We may also cancel shares equivalent to the value of any tax paid.

In every case, the amounts to be removed will be removed in a manner that will leave the highest possible value of shares within the Account as at the date of notification from HMRC. Any cancellation of shares will be carried out using the share price at the next valuation point after we receive such notification.

18. RESIDUAL TAX AMOUNTS

If, after termination of your ISA, a small balance (£5 or less) accrues due to payment of residual tax amounts reclaimed from HMRC, we shall have absolute discretion to realise this balance and pay the proceeds to a registered charity.

19. COMPLAINTS

Should you ever need to complain about your Scottish Widows ISA or any advice you have received, details about how to complain are shown in your SIID.

20. LAW

The law of England and Wales will apply to these Terms and Conditions.
IMPORTANT NOTES

These Terms and Conditions apply to the Scottish Widows ISA and will come into effect on receipt of your fully completed and signed application. If an application is received and this is not fully completed and does not have all of the details required by the regulations, it may be returned to you and the ISA will not be opened. However, in some circumstances we will still be able to open your ISA and will write to you for the missing information.

These Terms and Conditions are based on the ISA Manager’s understanding of current tax law and HMRC practice (as at date of publication) which may change in future.

Please note that when an investment is taken out the contract is between you (the applicant) and Scottish Widows. The terms of the Contracts (Rights of Third Parties) Act 1999 and any other third party legal rights are specifically excluded. This means that only parties to the contract (or their legal successor(s)) will have contractual rights.

Charges, limits and terms may change.

Important investor information including full details of the risks that apply to each of the funds can be found in the relevant KIID which should be read together with these Terms and Conditions.

You should read these Terms and Conditions along with any other ISA documentation before you sign your application form.