



OEIC AND ISA FUNDS

(SHARE CLASSES G & P)

SUPPLEMENTARY INVESTOR INFORMATION DOCUMENT

Incorporating the Terms and Conditions for the Scottish Widows Individual Savings Account (ISA)

Important information you need to read

SCOTTISH WIDOWS



THIS SUPPLEMENTARY INVESTOR INFORMATION DOCUMENT (SIID) IS DESIGNED TO BE READ ALONGSIDE THE KEY INVESTOR INFORMATION DOCUMENTS (KIIDS) FOR THE OPEN ENDED INVESTMENT COMPANY (OEIC) SUB FUNDS (CALLED 'FUNDS' THROUGHOUT THE REST OF THIS DOCUMENT) 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 for each share class of our OEIC and ISA funds and you should ensure that you read the relevant KIID for the share class of the fund you're 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 (see page 20).

This SIID doesn't replace the full OEIC Prospectus which contains full terms and conditions. This is available on request, free of charge, and can also 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 printing.

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. 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.

WHAT IS A SCOTTISH WIDOWS OEIC FUND?

- This Supplementary Investor Information Document (SIID) provides information on the Defensive Solution Fund, the Cautious Solution Fund, the Discovery Solution Fund, the Balanced Solution Fund, the Strategic Solution Fund, the Dynamic Solution Fund, the Adventurous Solution Fund, the Gilt Fund, the Corporate Bond Fund, the UK Tracker Fund, The Environmental Investor Fund, the Global Growth Fund and the Ethical Fund.
- Please see page 9 for further details of the funds covered by this SIID.
- 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.
- We may change the selection of funds that we make available.

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 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.
- If you invest by a single payment or by ISA transfer, your payment must be for at least £1,000. If you are investing monthly your payments must be at least £50 per month.
- You can keep your investment for as long as you choose as it has no fixed term. You should aim to keep it for the medium to long term (at least five to ten years).
- You can top up your investment with a single payment of £100 or more 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.
- Inflation may reduce the real value of your money in the future.
- 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.
- 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 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 HMRC website (www.gov.uk) for details of the current ISA limits and details of the available ISA types.
- Subject to the current overall ISA limit there are no restrictions on the amount that you can invest in any of the permitted ISA types and you can decide on the balance of your investments, provided you keep within the overall limit.
- HM Treasury decides the maximum ISA payment limits and the limits may change.

HOW CAN I INVEST?

- There is a separate 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(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 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 has exposure to different types of investments as described in the separate KIIDs. These may include fixed interest securities (government and corporate bonds), equities, property and cash. 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. The funds may invest in a range of government and/or corporate bonds. These bonds will vary in their length of time until maturity. Equities are shares listed on the stockmarket. Property assets can be direct 'bricks & mortar' assets or indirect 'property shares'.

- The funds may also provide exposure to commodities (such as iron ore, crude oil, gold), absolute return funds (funds that aim to achieve a positive return regardless of market conditions), funds of hedge funds (hedge funds also aim to achieve a positive return regardless of market conditions, but can undertake a wider range of investment and trading activities than other funds), or funds that use derivative based investment strategies (a derivative is a contract between 2 parties that specifies conditions under which payments are made between the parties).
- We may change what these Funds are invested in.
- 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.

For more information please see 'Important Notes' on page 19.

WHAT ARE THE CHARGES?

- Our charges cover our 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.

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.

Entry Charge

- There's currently no Entry Charge when you invest.

Exit Charge

- There's currently no Exit Charge when you sell part or all of your investment, or transfer your ISA to another manager.

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. The 'other expenses' will also be made up of underlying fund charges.
- There are transaction costs incurred by the fund 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 interest on borrowing or payments incurred because of financial derivative instruments.
- The annual management charge and other expenses are taken from the income of the funds.

Ongoing charge

- As noted earlier, 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 each share class of the funds 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, at any time, most of the charges we make. We will give you notice in line with the Financial Conduct Authority (FCA) rules where appropriate. We may do this if our costs turn out to be unexpectedly high, compared to our charges. Charges could increase if:
 - a tax rule or law increases our costs or decreases our income from changes;
 - our staff or overhead costs are more than we expect; or
 - our income from charges is less than we expect.

WHAT SHARE CLASSES ARE AVAILABLE?

Each investment will be allocated to a particular share class. All investments into the seven Solution Funds will always go into share class G. Investments into the Gilt Fund, the Corporate Bond Fund, the Environmental Investor Fund, the Global Growth Fund, the Ethical Fund and the UK Tracker Fund will be allocated to either share class G 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 G:

- 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 other investors in the fund.
- 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 the first 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 you 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 ISA 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.
 - 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.
- ISA investors can request to attend shareholder meetings if they wish. If an ISA investor does not request this right, then they will by default not receive any communications that involve shareholder meetings or voting. Please contact us if you want to receive this information.

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. If you take money out, this could be greater than any growth achieved and could reduce its value to below the amount you originally invested.
- 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 17.

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.
- The tables on pages 12 to 16 show how charges could affect what you might get back.

WILL I RECEIVE AN INCOME?

- Some of our funds offer income shares. We pay this income every 3 months.
- 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 17).
- 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. Please ensure that you contact us for more details of the charges that apply on a switch.
 - The ongoing charge for the fund you switch into might be different to that for the fund from which you are switching. Please see the relevant KIID for details of the ongoing charge.
 - 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 transfer your ISA to another manager. There is currently no charge for transferring.

CAN I TRANSFER MY ISA?

- You can 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. You will need to contact the new ISA manager if you want to transfer your ISA.
- 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 from one ISA to another, or switch funds, you won't lose any of your ISA benefits.
- Charges may apply on transferring an ISA from one provider to another. These charges can include, for example, exit charges and transaction costs. For the funds in this SIID we currently don't make exit charges or 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 of 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.

HOW MUCH WILL THE ADVICE COST?

- If you have received advice, your financial adviser will tell you this cost.

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 & 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 us or our investments.

Investing directly in an OEIC:

Distributions

- Four of the funds detailed in this SIID make interest distributions. These are: Cautious Solution, Defensive Solution, Gilt and Corporate Bond.
- 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 HM Revenue and Customs (HMRC). Depending on your personal circumstances you may have a liability to pay tax on the total amount received to HMRC.
- You are responsible for declaring any income or gains from your OEIC investments to HM Revenue & Customs.

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). A Capital Gains Tax liability may also arise on switches between OEIC investments. 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.

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.
- You must declare your OEIC investments to HM Revenue & Customs.

Investing via an ISA

- You don't have any personal liability to income tax or capital gains tax on an ISA investment.
- Dividends received on shares held in an ISA are tax free.
- Your investment can no longer be held as an ISA after you die and its value will form part of your estate for inheritance tax purposes. The money will remain invested until we receive instructions from your legal representatives.

- The value to an investor of the tax advantages of an ISA will depend on their personal circumstances, which may change.
- There's no need to declare your ISA to HM Revenue & Customs.
- The favourable tax treatment of ISAs may not be maintained.

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).
- The tax benefits of an ISA cease from the date of death.
- The eligible spouse or civil partner of a deceased ISA investor will be entitled to an additional ISA allowance equal to the value of the deceased's ISA on date of death. This entitlement will be in addition to their own annual ISA allowance.
- 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.

SPECIFIC FUND INFORMATION

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.

You can find tables showing examples of what you might get back on pages 12 to 16 of this SIID.

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 on the right. Please note there are no funds with the Secure or Specialist 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

CAUTIOUS

Defensive Solution
Cautious Solution
Gilt Solution
Corporate Bond

PROGRESSIVE

Strategic Solution
Dynamic Solution

BALANCED

Discovery Solution
Balanced Solution

ADVENTUROUS

Adventurous Solution
Environmental Investor
Global Growth
Ethical
UK Tracker

For other important information (including how to contact us) please read pages 17 to 19.

SECURE	CAUTIOUS	BALANCED	PROGRESSIVE	ADVENTUROUS	SPECIALIST
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.	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.	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.	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.	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.	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.

SECURE

CAUTIOUS

BALANCED

PROGRESSIVE

ADVENTUROUS

SPECIALIST

INCREASING RISK →

INVESTMENT PERIODS

We categorise investment periods as follows:

Short-term: Up to 5 years

Medium-term: Between 5 and 10 years

Long-term: Over 10 years



RISK AND REWARD INDICATOR

The KIID for each share class of the OEIC and ISA funds also includes a Risk and Reward Indicator for the fund. This indicator is a different measure to that of our own investment approach definitions 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.

Fund Name	Income Shares	Accumulation Shares	Income Allocation Dates	Interest / Dividend Distribution
Defensive Solution	Yes	Yes	31st January, 30th April, 31st July, 31st October	Interest
Cautious Solution	Yes	Yes	31st January, 30th April, 31st July, 31st October	Interest
Gilt	Yes	Yes	31st January, 30th April, 31st July, 31st October	Interest
Corporate Bond	Yes	Yes	15th of each month	Interest
Discovery Solution	Yes	Yes	31st January, 30th April, 31st July, 31st October	Dividend
Balanced Solution	No	Yes	31st July	Dividend
Strategic Solution	No	Yes	31st July	Dividend
Dynamic Solution	No	Yes	31st July	Dividend
Adventurous Solution	No	Yes	31st July	Dividend
Environmental Investor	No	Yes	30th April	Dividend
Global Growth	No	Yes	31st January	Dividend
Ethical	No	Yes	30th April	Dividend
UK Tracker	Yes	Yes	31st May, 30th November	Dividend

WHAT YOU MIGHT GET BACK

EXAMPLES OF THE EFFECT OF CHARGES ON A SINGLE PAYMENT INVESTMENT.

- The examples below show what you might get back from a £1,000 investment in Class G shares in the Balanced Solution Fund and the Cautious Solution Fund.
- The Financial Conduct Authority (FCA) determines lower, middle and higher growth rates for producing illustrations to work out what you might get back. The maximum FCA middle growth rates are 4.5% a year when investing directly in an OEIC, and 5% a year when investing via an ISA. Some of the rates we've used for the Funds shown in the examples are less, as we believe the maximum rates overstate the investment potential of the Funds. For OEIC investments, the rates we've used are 3.5% for the Balanced Solution Fund and 2.5% for the Cautious Solution Fund. For ISA investments, the rates we've used are 4.0% for the Balanced Solution Fund and 3.0% for the Cautious Solution Fund. These are our current middle growth rate assumptions for long term growth.
- The growth rates we use can vary between funds. For details of our current assumed middle growth rates for the funds listed in this SIID, please see page 15. If you'd like details of our current assumed lower and higher growth rates, please contact us.
- We may change any growth rate assumptions for future illustrations. The actual growth rate we achieve may be more or less than shown.
- Other firms may use different rates of growth for their illustrations and charges may vary.
- We show examples of monthly payments into the Balanced Solution Fund for OEIC and ISA investments on page 14.
- These figures are only to illustrate the effect of charges and expenses (on an investment over various time spans) – the amount you'll get back isn't guaranteed.
- These figures use our current long-term ongoing charge assumptions as at 6th April 2017. Please refer to your Key Investor Information Document(s) for the most recently published ongoing charge.

OEIC investment into a growth fund – example used is the Balanced Solution Fund

At end of year	Investment to date	Effect of deductions to date	What you might get back
1	£1,000	£14	£1,020
3	£1,000	£46	£1,060
5	£1,000	£81	£1,100
10	£1,000	£186	£1,220

- The last line of the table shows that over 10 years the effect of the total charges and expenses could amount to £186.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 3.5% a year down to 2.0% a year.

OEIC investment into an income fund – example used is the Cautious Solution Fund

At end of year	Investment to date	Income taken			Income not taken	
		Effect of deductions to date	Income paid out to date	What you might get back	Effect of deductions to date	What you might get back
1	£1,000	£11	£10	£1,000	£11	£1,010
3	£1,000	£36	£31	£1,000	£36	£1,040
5	£1,000	£61	£53	£1,010	£63	£1,060
10	£1,000	£132	£106	£1,020	£139	£1,140

- The last line of the table shows that over 10 years the effect of the total charges and expenses could amount to £132 if you take an income and £139 if you don't.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 2.5% a year down to 1.3% a year if you take an income, and from 2.5% a year to 1.3% a year if you don't.

ISA investment into a growth fund – example used is the Balanced Solution Fund

At end of year	Investment to date	Effect of deductions to date	What you might get back
1	£1,000	£14	£1,020
3	£1,000	£46	£1,070
5	£1,000	£83	£1,130
10	£1,000	£196	£1,280

- The last line of the table shows that over 10 years the effect of charges and expenses could amount to £196.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 4.0% a year down to 2.5% a year.

ISA investment into an income fund – example used is the Cautious Solution Fund

At end of year	Investment to date	Income taken			Income not taken	
		Effect of deductions to date	Income paid out to date	What you might get back	Effect of deductions to date	What you might get back
1	£1,000	£11	£20	£997	£11	£1,010
3	£1,000	£36	£61	£992	£37	£1,050
5	£1,000	£61	£102	£987	£64	£1,090
10	£1,000	£132	£203	£975	£146	£1,190

- The last line of the table shows that over 10 years the effect of charges and expenses could amount to £132 if you take an income and £146 if you don't.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 3.0% a year down to 1.8% a year if you take an income and from 3.0% a year to 1.8% a year if you don't.

EXAMPLES OF THE EFFECT OF CHARGES ON MONTHLY PAYMENTS OF £100 INTO THE BALANCED SOLUTION FUND FOR OEIC AND ISA INVESTMENTS.

OEIC

At end of year	Investment to date	Effect of deductions to date	What you might get back
1	£1,200	£9	£1,210
3	£3,600	£83	£3,710
5	£6,000	£237	£6,310
10	£12,000	£1,030	£13,300

- The last line of the table shows that over 10 years the effect of charges and expenses could amount to £1,030.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 3.5% a year down to 2.0% a year.

ISA

At end of year	Investment to date	Effect of deductions to date	What you might get back
1	£1,200	£9	£1,210
3	£3,600	£84	£3,740
5	£6,000	£241	£6,390
10	£12,000	£1,060	£13,600

- The last line of the table shows that over 10 years the effect of charges and expenses could amount to £1,060.
- Putting it another way, over 10 years, this would have the same effect as bringing the middle growth rate from 4.0% a year down to 2.5% a year.

REDUCTION IN GROWTH RATES

The following tables show the effect of charges and expenses on the investment growth of a single payment in share class G if you cash in after 3, 5 and 10 years for all the funds listed in this SIID.

These figures use our current long-term ongoing charge assumptions as at 6th April 2017. Please refer to the relevant Key Investor Information Document(s) for the share class of your fund(s) for the most recently published ongoing charge.

For an example of an investment by monthly payments we also show the effect of charges for the Balanced Solution Fund.

The maximum FCA middle growth rates are 4.5% for investments directly in an OEIC, and 5% via an ISA. The rates we've used may be less where we believe the maximum rates overstate the investment potential of a fund.

Where we haven't used the maximum FCA middle growth rate for a fund, the rate we've shown is our current middle growth rate assumption for long term future growth. We may change any growth rate assumptions for future illustrations. The actual growth rate we achieve may be more or less than shown.

OEIC Growth Funds – Accumulation Shares (Class G Shares)

Fund name	From (middle growth rate)	At the end of 3 years to	At the end of 5 years to	At the end of 10 years to
Strategic Solution	3.5%	2.1%	2.1%	2.1%
Balanced Solution – single payment	3.5%	2.0%	2.0%	2.0%
Balanced Solution – monthly payments	3.5%	2.0%	2.0%	2.0%
Dynamic Solution	3.5%	2.1%	2.1%	2.1%
Adventurous Solution	4.5%	3.1%	3.1%	3.1%
Environmental Investor	4.5%	2.8%	2.8%	2.8%
Global Growth	4.5%	2.8%	2.8%	2.8%
Ethical	4.5%	2.8%	2.8%	2.8%

Income shares are not available for any of the above funds.

OEIC Income Funds – Income Shares (Class G Shares)

Fund name	From (middle growth rate)	At the end of 3 years to	At the end of 5 years to	At the end of 10 years to
Defensive Solution	2.5%	1.3%	1.3%	1.3%
Cautious Solution	2.5%	1.3%	1.3%	1.3%
Discovery Solution	3.0%	1.8%	1.8%	1.8%
Gilt	1.0%	-0.1%	-0.1%	-0.1%
Corporate Bond	2.0%	0.9%	0.9%	0.9%
UK Tracker	4.5%	3.5%	3.5%	3.5%

ISA Growth Funds – Accumulation Shares (Class G Shares)

Fund name	From (middle growth rate)	At the end of 3 years to	At the end of 5 years to	At the end of 10 years to
Strategic Solution	4.0%	2.6%	2.6%	2.6%
Balanced Solution – single payment	4.0%	2.5%	2.5%	2.5%
Balanced Solution – monthly payments	4.0%	2.5%	2.5%	2.5%
Dynamic Solution	4.0%	2.6%	2.6%	2.6%
Adventurous Solution	5.0%	3.6%	3.6%	3.6%
Environmental Investor	5.0%	3.3%	3.3%	3.3%
Global Growth	5.0%	3.3%	3.3%	3.3%
Ethical	5.0%	3.3%	3.3%	3.3%

Income shares are not available for any of the above funds.

ISA Income Funds – Income Shares (Class G Shares)

Fund name	From (middle growth rate)	At the end of 3 years to	At the end of 5 years to	At the end of 10 years to
Defensive Solution	3.0%	1.8%	1.8%	1.8%
Cautious Solution	3.0%	1.8%	1.8%	1.8%
Discovery Solution	3.5%	2.3%	2.3%	2.3%
Gilt	1.0%	-0.1%	-0.1%	-0.1%
Corporate Bond	2.5%	1.4%	1.4%	1.4%
UK Tracker	5.0%	4.0%	4.0%	4.0%



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**
Office address Scottish Widows
Unit Trust Managers Limited,
PO BOX 28015, 15 Dalkeith Road
Edinburgh EH16 SWL

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

Tel **0800 023 4567**

Email **complaint.info@financial-ombudsman.org.uk**

Website **www.financial-ombudsman.org.uk**

- 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 HM Revenue & Customs' 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, 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 Asset Investment Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom. Member of the Aberdeen Asset Management group of companies. Registered in England and Wales No.794936. Registered Office: Bow Bells House, 1 Bread Street, London EC4M 9HH.
- 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 Asset Management 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 a company 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.

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

- 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



Protected

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 Prospectus. This is available on request from us. Charges, terms and limits may change.

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 Funds, on property which the Funds hold 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 to comply with the regulations within the FCA's Collective Investment Schemes Sourcebook.

Copies of the Prospectus and the Instrument of Incorporation relating to the 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 booklet are sub-funds of an OEIC which is managed by Scottish Widows Unit Trust Managers Limited and which is authorised under Regulation 14 of the Open Ended Investment Companies Regulations 2001.

TERMS & CONDITIONS OF THE SCOTTISH WIDOWS INDIVIDUAL SAVINGS ACCOUNT (ISA)

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. 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.

In the current tax year you can pay into 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.

The Scottish Widows ISAs are Stocks and Shares ISAs.

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). You may get back less than you originally invested.

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

Each year we will send you a statement and valuation for each fund that you hold. 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 and any exit charges that may apply. 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 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 the Authorised Corporate Director of the fund 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.

The tax benefits of this investment will cease immediately upon your death. Your Account will be closed immediately upon receipt of written notice by the ISA Manager of your death. Although your investment will no longer be treated as an ISA, its value will still be

subject to the performance of the fund(s) as normal until further instructions are received from your legal personal representatives. The ISA Manager may then, on receipt of a death certificate relating to you, and subject to such other formalities as the ISA Manager 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 provision of these terms shall bind your legal personal representative(s).

13. INVESTOR CASH BALANCES

Any investor cash balances (which is money held on behalf of an investor) shall be deposited with a company 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.

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