

# Investor's Guide

## Clerical Medical Group Pension Funds



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# Introduction

Different people have different attitudes to risk when it comes to investing. Your own attitude can sometimes change depending on your age, personal circumstances and many other factors. Clerical Medical offers a range of pension funds from ready-made lifestyle investment programmes to specialist funds to match different investment needs. Our range is grouped into the following categories:

## ▶ Clerical Medical lifestyle investment programmes

Clerical Medical lifestyle investment programmes invest in a number of different funds with varying aims and investment risks, automatically moving towards lower risk funds over the duration of your pension plan. All programmes invest in equities to some extent and this will reduce as you get closer to retirement. Each programme has been designed to suit different attitudes to investment risk, so the move from equities to lower risk investments differs for each programme.

The lifestyle investment programmes are designed by Clerical Medical. Management of the investments within each programme is delegated to one of two managers: Aberdeen Standard Investments (a subsidiary of Standard Life Aberdeen) ('ASI'); and BlackRock (formerly BGI).

## ▶ Clerical Medical unit-linked pension funds managed by ASI

These Clerical Medical pension funds are run by ASI, and offer a variety of investment styles and asset classes to choose from.

These Clerical Medical pension funds are provided by Clerical Medical, and marketed, administered and sold by Scottish Widows.

## ▶ Clerical Medical unit-linked pension funds managed by other fund managers

Covering a wide range of asset classes, geographical locations, sectors and management styles, these Clerical Medical pension funds provide building blocks to help you create bespoke investment portfolios.

## ▶ Clerical Medical With-Profits fund

The Clerical Medical With-Profits fund is designed to generate capital growth and provide some guarantees over the medium to long term, whilst also providing some stability against market volatility in the short term.

## ▶ Availability

You can normally switch your existing fund and/or re-direct any future contributions into different funds at any time.

The choice of pension funds available to you depends on the type of group pension plan:

- Members of Group Personal Pension Plans can choose from all the funds detailed on pages 3 to 11. However, with the exception of funds managed by BlackRock, access to pension funds which are not managed by ASI is permitted only if consent is provided by the employer or IFA. Once provided, this consent applies for all scheme members and new entrants.
- Members of Group Stakeholder Pension Plans can choose from all the funds detailed on pages 3 to 11 that are not marked with an asterisk. However, with the exception of funds managed by BlackRock, access to pension funds which are not managed by ASI is permitted only if consent is provided by the employer or IFA. Once provided, this consent applies for all scheme members and new entrants.
- Members of Group Money Purchase Plans or Group Additional Voluntary Contribution Plans will normally be advised by the trustees which funds are available. If you wish to switch investment funds you should contact the trustees.

If you are still uncertain which funds are available to you please speak to your financial adviser or contact us on 0345 603 6770 during the following times: Monday to Friday 8.30am to 6pm. We may record and monitor your calls to help us improve our service. You can also write to us at:

Clerical Medical  
PO Box 28121  
15 Dalkeith Road  
Edinburgh  
EH16 9AS

Clerical Medical and Scottish Widows are both part of the Lloyds Banking Group.

The Clerical Medical With-Profits fund is only available if you are an existing member of, or a new member to, a plan set up before 6th April 2006.

# Clerical Medical lifestyle investment programmes

We've designed six lifestyle investment programmes for you to choose from. Pages 3 to 8 highlight these programmes in more detail. Each investment programme shows a graphic explaining how your payments into the programme are invested ('New Contributions') and how our lifestyling adjustment of your portfolio is invested as you get within ten years of retirement ('Existing Contributions'). Details of the individual funds are on pages 13 to 22.

Only one lifestyle investment programme can be invested in at any one time.

The 'New contributions' graphics within each of the lifestyle options shows how any investment contribution will be invested. Please note that any contribution made 10 years or more before your selected retirement date will be invested as per the '10 years+' column on the 'New contributions' graphic for your selected lifestyle option. Investment contributions made within the last 10 years to your selected retirement date will be invested in line with the corresponding year ('9 years', '8 years' and so on...) on the 'New contributions' graphic for your selected lifestyle option.

Any transfers into any of the six lifestyle options will be invested in line with the 'New contributions' graphic for your selected lifestyle option.

**For the three Blackrock lifestyle programs only (pages 4, 6 and 8)** – In the years before the last 10 years to your selected retirement date, a rebalance takes place on the anniversary of your first investment contribution. We rebalance your funds, because over time market movements mean your holdings move away from the percentages in the '10 years+' column in the 'New contributions' graphic. The rebalance returns your holdings to these fund allocation percentages.

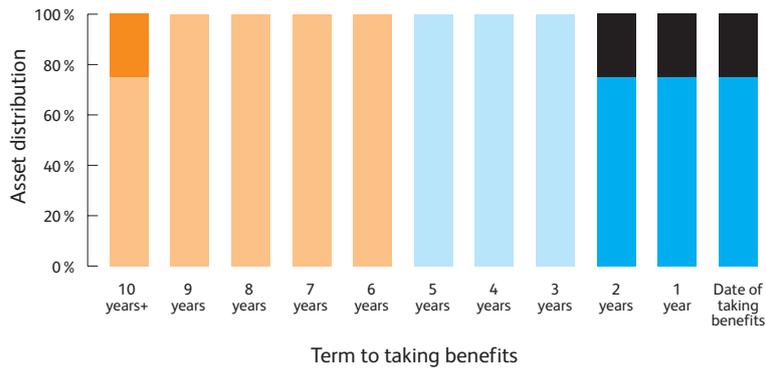
Whatever lifestyle programme you choose, when you reach 10 years to your selected retirement date, we will gradually adjust and move your holdings into lower risk investments, as illustrated by the 'Existing contributions' graphic for your selected lifestyle option. Although this reduces the growth potential of your holdings, it also aims to help protect its value as you near your selected retirement date.

Please note that, whichever funds you are investing in, the value of your investment can go down as well as up, and could fall below the amount(s) paid in.

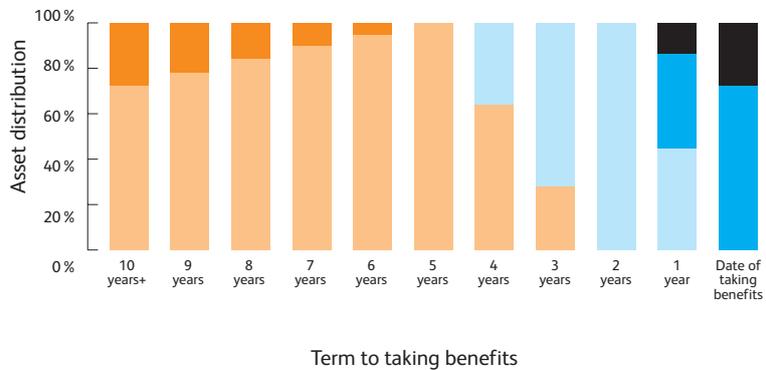
## ▶ ASI Cautious Option

- Your pension contributions will be initially invested in the Cautious and Balanced Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the Cautious Fund. New contributions will be invested in the Cautious Fund.
- Five years from your normal retirement date your pension fund will gradually move to the Non-Equity Fund. New contributions will be invested in the Non-Equity Fund.
- Two years from your normal retirement date your investments will gradually move to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection and the Halifax Funds.

### New contributions



### Existing contributions



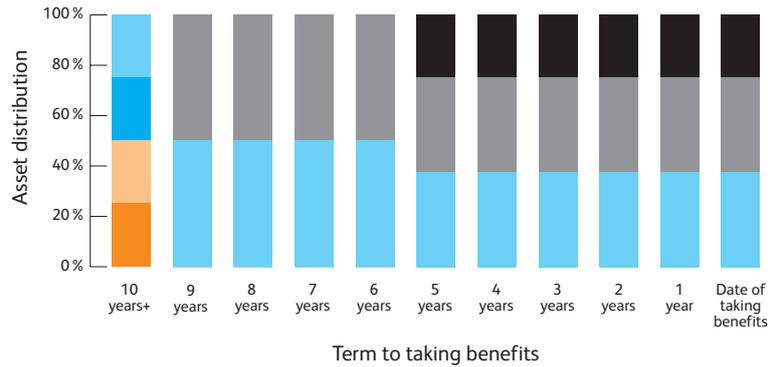
■ Balanced
 ■ Cautious
 ■ Non-Equity
 ■ Retirement Protection
 ■ Halifax

(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

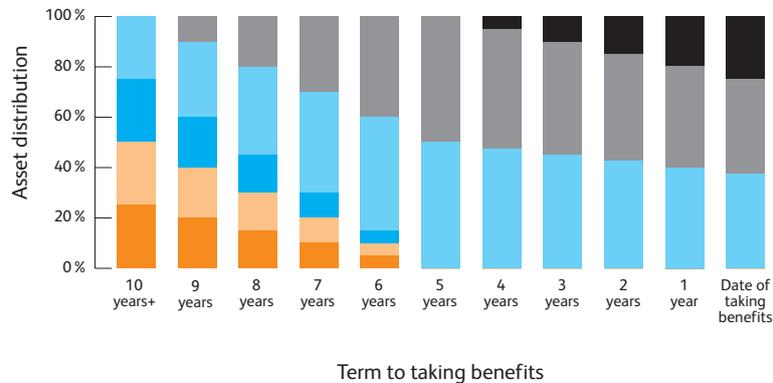
## ▶ BlackRock (formerly BGI) Cautious Lifestyle

- Your pension contributions will be initially invested in the BlackRock UK Equity Index, BlackRock World (Ex UK) Equity Index, BlackRock Over 5 Years Index Linked Gilt and BlackRock Corporate Bond Index Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.
- Five years from your normal retirement date your pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.

### New contributions



### Existing contributions

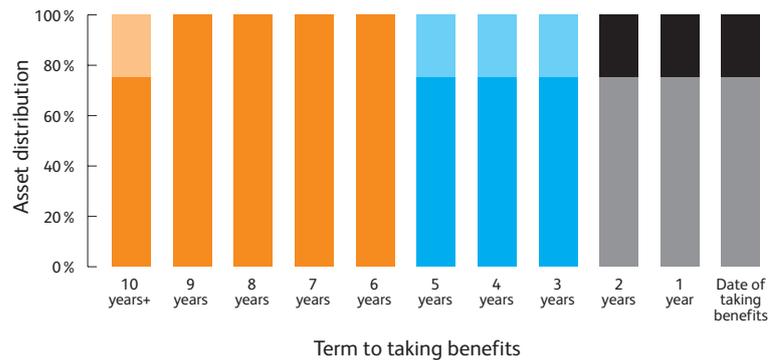


(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

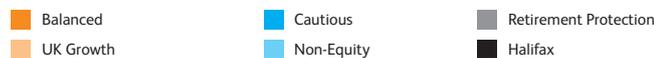
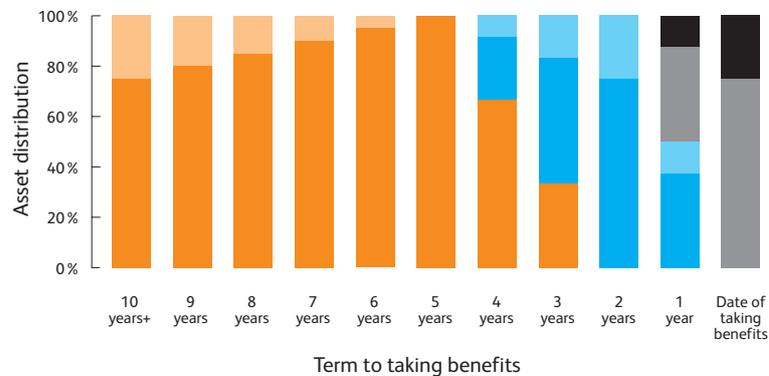
## ▶ ASI Balanced Option

- Your pension contributions will be initially invested in the Balanced and UK Growth Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the Balanced Fund. New contributions will be invested in the Balanced Fund.
- Five years from your normal retirement date your pension fund will gradually move to the Cautious and Non-Equity Funds. New contributions will be invested in the Cautious and Non-Equity Funds.
- Two years from your normal retirement date your investments will gradually move to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection and the Halifax Funds.

### New contributions



### Existing contributions

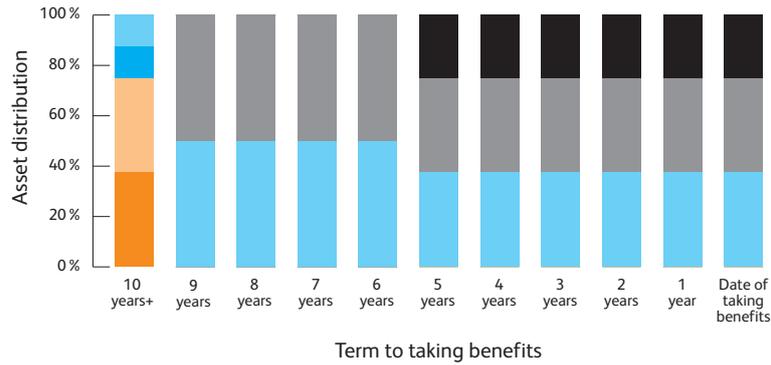


(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

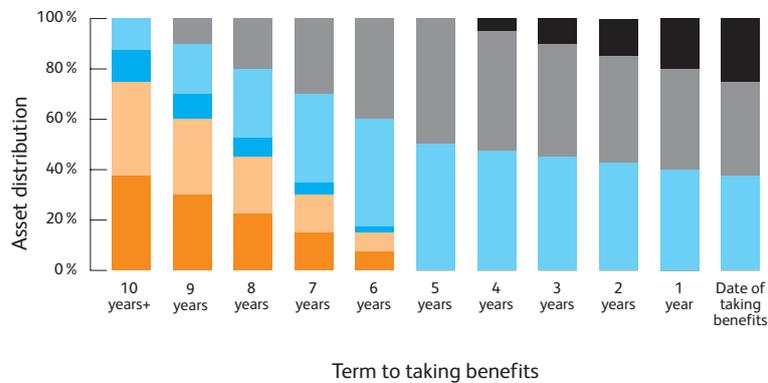
## ▶ BlackRock (formerly BGI) Balanced Lifestyle

- Your pension contributions will be initially invested in the BlackRock UK Equity Index, BlackRock World (Ex UK) Equity Index, BlackRock Over 5 Years Index Linked Gilt and BlackRock Corporate Bond Index Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.
- Five years from your normal retirement date your pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.

### New contributions



### Existing contributions

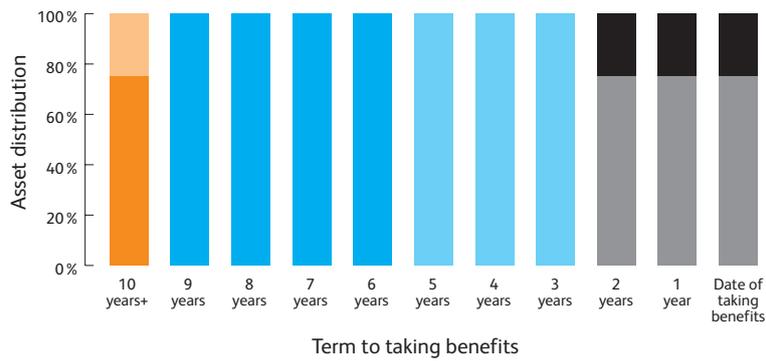


(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

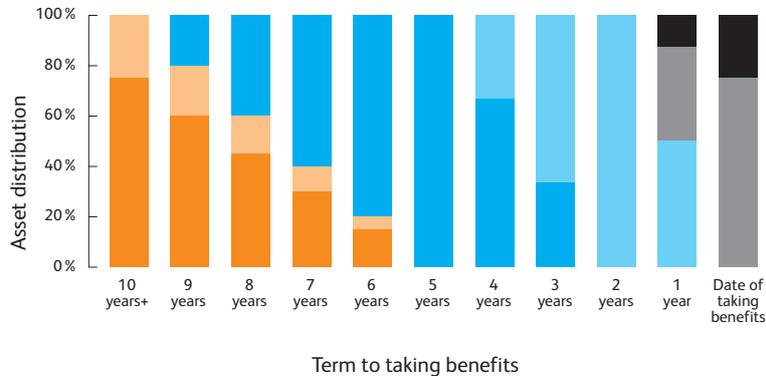
## ▶ ASI Adventurous Option

- Your pension contributions will be initially invested in the UK Growth and International Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the Balanced Fund. New contributions will be invested in the Balanced Fund.
- Five years from your normal retirement date your pension fund will gradually move to the Cautious Fund. New contributions will be invested in the Cautious Fund.
- Two years from your normal retirement date your investments will gradually move to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection and the Halifax Funds.

### New contributions



### Existing contributions

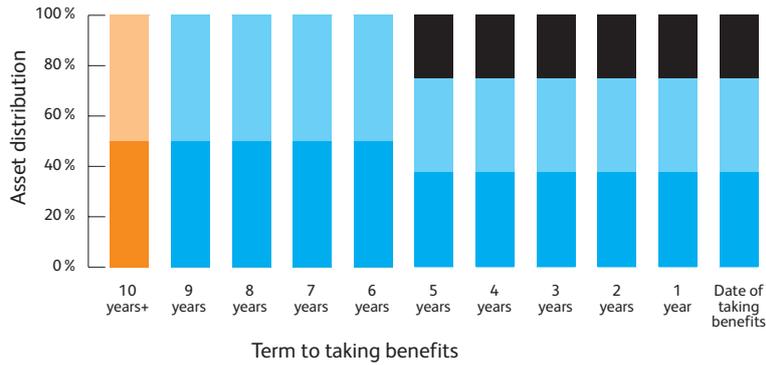


(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

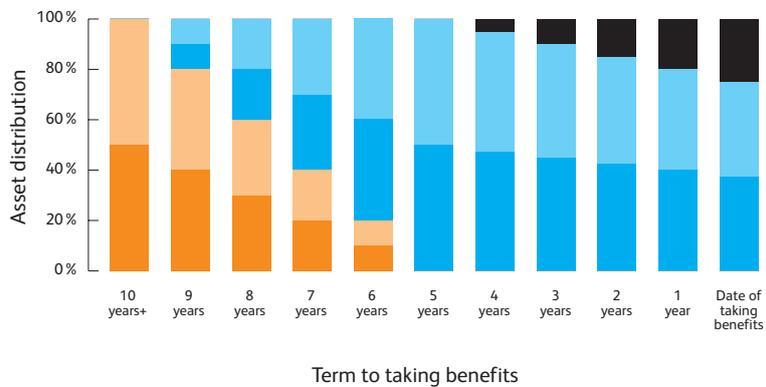
## ▶ BlackRock (formerly BGI) Aggressive Lifestyle

- Your pension contributions will be initially invested in the BlackRock UK Equity Index and BlackRock World (Ex UK) Equity Index Funds.
- Ten years from your normal retirement date your pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.
- Five years from your normal retirement date your pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.

### New contributions



### Existing contributions



■ UK Equity Index 
 ■ World Equity Index 
 ■ Corporate Bond Index 
 ■ Over 15 Years Gilt Index 
 ■ Cash

(The percentage split shown is approximate, and due to movements in the stockmarket, there is no guarantee that this percentage split will be achieved.)

# Clerical Medical unit-linked group pension funds managed by ASI

Please note: Clerical Medical Funds are provided by Clerical Medical, and administered by Scottish Widows.

Funds available	ABI classification sector
Adventurous Fund	Flexible Investment
Balanced Fund	Mixed Investment 40% – 85% Shares
Balanced Fund of Funds*	Mixed Investment 40% – 85% Shares
Cash Fund	Money Market
Cautious Fund	Mixed Investment 20% – 60% Shares
Ethical Fund	Global Equities
European Fund	Europe excluding UK Equities
Far Eastern Fund	Asia Pacific excluding Japan Equities
Gilt & Fixed Interest Fund	Sterling Fixed Interest
Global Equity Tracker Fund*	Global Equities
Halifax Fund	Money Market
International Growth Fund	Global Equities
Japanese Fund	Japan Equities
Non-Equity Fund	Mixed Investment 0% – 35% Shares
North American Fund	North America Equities
Retirement Protection Fund	Sterling Long Bond
Smaller Companies Fund	UK Smaller Companies
UK Equity Income Fund	UK Equity Income
UK Equity Tracker Fund	UK All Companies
UK Growth Fund	UK All Companies
UK Index-Linked Gilt Fund	UK Index-Linked Gilts
UK Property Fund	UK Direct Property
CM UK Smaller Companies Fund**	UK Smaller Companies

\* These funds are not available through the Group Stakeholder Pension Plan.

\*\* This fund was previously called the CM UBS UK Smaller Companies Fund.

# Clerical Medical unit-linked group pension funds managed by other fund managers

## BlackRock

Funds available	ABI classification sector
BlackRock (formerly BGI) Corporate Bond Fund	Sterling Fixed Interest
BlackRock (formerly BGI) Over 15 Year Gilt Fund	Sterling Long Bond
BlackRock (formerly BGI) Over 5 Year Index-Linked Gilt Fund	UK Index-Linked Gilts
BlackRock (formerly BGI) UK Equity Fund	UK Equity Income
BlackRock (formerly BGI) World (Ex UK) Fund	Global Equities

## Fidelity

Funds available	ABI classification sector
CM Fidelity Defensive Managed Fund*	Mixed Investment 0% – 35% Shares
CM Fidelity MoneyBuilder Growth Fund**	UK All Companies
CM Fidelity MoneyBuilder Income Fund*	Sterling Corporate Bond
CM Fidelity Worldwide Special Situations Fund*	Global Equities

\* These funds are not available through the Group Stakeholder Pension Plan.

\*\* Formerly known as CM Fidelity Growth and Income Fund.

## Insight Investment

Funds available	ABI classification sector
Dynamic Return Fund*	Flexible Investment
Target Return Fund*	Specialist
UK Equity Fund of Funds*	UK All Companies

\* These funds are not available through the Group Stakeholder Pension Plan.

## Invesco

Funds available	ABI classification sector
CM Invesco Perpetual Distribution Fund*	Mixed Investment 20% – 60% Shares
CM Invesco Perpetual Global Bond Fund*	Global Fixed Interest
CM Invesco Perpetual High Income Fund*	UK Equity Income

\*These funds are not available through the Group Stakeholder Pension Plan.

## Newton

Funds available	ABI classification sector
CM Boston Company US Opportunities Fund	North America Equities
CM Newton Multi-Asset Balanced Fund*	Mixed Investment 40% – 85% Shares
CM Newton Continental European Fund*	Europe excluding UK equities
CM Newton Global Equity Fund*	Global Equities
CM Newton UK Income Fund **	UK Equity Income
CM Newton International Bond Fund*	Global Fixed Interest
CM Newton Multi-Asset Growth Fund*	Flexible Investment
CM Newton Multi-Asset Diversified Return Fund*	Mixed Investment 20% – 60% Shares
CM Newton UK Equity Fund*	UK All Companies

\* These funds may be available through the Group Stakeholder Pension Plan depending on the terms of your employer's scheme.

\*\* Formerly known as the CM Newton Higher Income.

## Schroders

Funds available	ABI classification sector
CM Schroder Corporate Bond Fund*	Sterling Corporate Bond
CM Schroder Gilt & Fixed Interest Fund*	UK Gilts
CM Schroder Global Equity Fund*	Global Equities
CM Schroder Managed Balanced Fund*	Mixed Investment 40% – 85% Shares
CM Schroder Monthly High Income Fund*	Sterling High Yield
CM Schroder UK Mid 250 Fund*	UK All Companies

\*These funds are not available through the Group Stakeholder Pension Plan.

## UBS

Funds available	ABI classification sector
CM UBS Global Allocation Fund*	Mixed Investment 40% – 85% Shares
CM UBS Global Growth Fund*	Global Equities
CM UBS UK Opportunities Fund*	UK All Companies
CM UBS US Equity Fund*	North America Equities

\* These funds may be available through the Group Stakeholder Pension Plan depending on the terms of your employer's scheme.

## Veritas Asset Management

Funds available	ABI classification sector
CM Veritas Asian Fund*	Asia Pacific excluding Japan Equities

\* Previously the CM Newton Oriental Fund.

# Clerical Medical With-Profits Fund

## Investing in the With-Profits Fund

The With-Profits Fund is only available if you are an existing member of, or a new member to, a plan set up before 6th April 2006.

- The With-Profits fund is designed to generate capital growth and provide some guarantees over the medium to long term, whilst also providing some stability against market volatility in the short term. This is achieved by combining your money with that of other with-profits investors, all collectively sharing in the performance of the fund. This fund is invested in a mix of assets – shares in UK and overseas companies, property, fixed-interest investments and other types of investment (including cash).
- There are two types of with-profits bonus:
  - A regular bonus (sometimes called 'bonus interest'), which we may add to increase your investment's face value over time. We decide this rate once a year, but we can change it at other times in exceptional circumstances. We add to the investment by increasing the face value of the units in the With-Profits Fund (the unit price) throughout the coming year. The unit price is guaranteed not to decrease over time. On death, or if money is taken out of the With-Profits Fund at the selected retirement date, any regular bonus included in the face value of the units is guaranteed.
  - A possible final bonus (sometimes called 'terminal bonus'), which we may add when money is taken out of the With-Profits Fund. We normally review this twice a year, but in exceptional circumstances we can change it at other times if investment conditions change significantly.

The rates of bonus for with-profits units bought by single contributions (including transfers from company pension schemes and other personal pension plans) may be different from those applying to units bought by regular contributions.

If you are investing in the With-Profits Fund, please be aware that:

- What you receive will be affected by a deduction that we are currently making to support the guarantees on policies of other groups of investors, for example because investment returns are below guaranteed levels.
- The ultimate value of a with-profits investment depends on the level of future bonuses which cannot be guaranteed.
- We recommend you read our 'With-profits summary' which gives more information about how we run the fund, including the market value reduction and how we aim to ensure that policyholders' interests are dealt with fairly.

Our 'With-profits summary' (X1332) is available on request.

## Risks

- If money is taken out of the With-Profits Fund other than on death or at the selected retirement date, we may make a reduction called a market value reduction (MVR) and pay out less than the face value of your units. We will only do this if the face value of your units meant your investment would be worth more than your fair share of the With-Profits Fund.

# Group pension funds information – unit-linked funds

The Clerical Medical unit-linked group pension funds aim to provide long-term growth in the price of units. This is generated by a combination of capital growth as well as income that is added to the fund. A proportion of each unit-linked fund may be held in cash to provide liquidity or while awaiting suitable investments.

The Clerical Medical unit-linked funds can invest in other unit-linked funds or in collective investment schemes (for example open-ended investment companies (OEICs) or unit trusts) to achieve exposure to meet the stated fund aims.

Some funds may use derivatives (contracts which have a value linked to the price of another asset) to help reduce risk or reduce cost, or to help generate extra capital or income. This is normally referred to as Efficient Portfolio Management (EPM). It is not intended that this will cause the risk profile of these funds to change, but using derivatives might not achieve the described outcomes and may result in greater fluctuations in the values of these funds.

The funds may engage in 'securities lending'. This is where a fund lends out some of its assets with an agreement that the borrower will return them after a limited period. The borrower pays a fee which is added to the fund after the costs associated with the lending have been deducted. The fund receives other assets and possibly a cash payment as security during the lending period for the assets lent. There is a risk that the borrower may be unable to return the fund's assets and if this happens, the other assets would be sold. If the sale proceeds and any other payments due to the fund were not enough to replace the assets lent, the fund would go down in value.

The individual aims and risks of the Clerical Medical group pension funds that are currently available are shown on pages 15 to 22.

There are charges associated with investing in the funds. The charges can be different for different funds and can change. For details of the charges, please visit <http://www.clericalmedical.co.uk/Business/FundsPrices/FundFactsheets.asp?id=4> or contact your financial adviser or Clerical Medical using the contact details on page 1.

Full terms and conditions, including relevant administration details, are available on request from Clerical Medical. Charges, terms and limits may change.

The value of an investment is not guaranteed and can go up and down depending on investment performance (and currency exchange rates where a fund invests overseas), and you may get back less than you invested.

There may be restrictions on the amount you can invest in certain funds. Please contact us for details of any restrictions that apply. We may change the selection of funds that we make available.

We reserve the right to delay a request to sell your units in certain circumstances. The period of delay will not be more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases. This may happen in exceptional circumstances where, for example, there is an unusually high demand for units to be cashed in. For more details please see the relevant Policy Provisions for your investment with us.

## ABI sector information

ABI sectors are designed by the Association of British Insurers. They aim to group funds with similar characteristics and can help investors compare funds. However, they are not designed to reflect the risk level of funds.

The Mixed Investment Shares sectors reflect the maximum and minimum amount of a fund that can be invested in shares. Please note that fund managers may often invest at or near the maximum amount in shares.

Funds in the Mixed Investment Shares sectors can hold a range of other investments in addition to shares (for example bonds, property and cash) and may use a range of different investment strategies.

The Mixed Investment Shares sectors group together funds that are broadly similar (on the basis of their shares content) for comparison purposes. To give fund managers flexibility, the criteria for each sector overlap. So funds may sometimes meet the requirements for more than one sector.

UK shares are investments in companies quoted on the UK stock market. Overseas shares are investments in companies quoted on non-UK stock markets.

Where any of the following general risks apply to a fund, they will be indicated beside the aims of the fund shown in the next section. Any specific risks associated with a fund will also be shown here.

- DV** This fund uses derivatives and forward transactions for specific investment purposes, as well as for hedging and other efficient portfolio management purposes. Their use may lead to higher volatility.
- DVL** This fund uses derivatives and forward transactions for specific investment purposes, as well as for hedging and other efficient portfolio management purposes. It's not intended that the use of derivatives in this way will cause the fund to have high volatility or otherwise cause its existing risk profile to change.
- EM** This fund invests in emerging markets so might invest in stockmarkets which are generally less well regulated than those in the UK. This may result in a greater risk that the value of the units might go down. The investments in these markets might also be bought and sold infrequently therefore resulting in large changes in their prices.
- EQ** This fund invests in company shares (often referred to as 'equities'). Investing in company shares generally has the potential for higher capital growth over the longer term than investing in say, corporate bonds and other fixed interest securities. However there might be considerable fluctuations in equity prices and there is a greater risk that the value of the investment will fall.
- FI** Some of the securities in which this fund invests might default or their credit rating might fall. The value of those investments will usually fall should an issuer default or receive a reduced credit rating. Fluctuations in interest rates are likely to affect the value of the securities held by the fund. If long-term interest rates rise, the value of the units is likely to fall and vice versa.
- FIG** This fund may invest more than 35% in government or public securities issued by a single issuer. There could be a risk, for example, that they can't repay the amount borrowed. If they don't repay, the value of the fund will fall.

- HY** This fund invests in high yielding fixed interest securities, which carry an increased risk of default and, for which, there is a higher risk that the issuer's credit rating may fall. The value of these investments will usually fall should an issuer default or receive a reduced credit rating or should the likelihood of these events increase.
- OS** Exchange rate changes might cause the value of any overseas investment to go up or down.
- PR** Your investment in this fund is at risk. There is no guarantee that the fund will deliver positive returns over the specific, or any, time period.
- PY** This fund invests in property and land. This can be difficult to sell, so it may not be possible to cash in the investment when you want to. We may have to delay acting on your instructions to sell the investment. The value of property is generally a matter of a valuer's opinion rather than fact and values can go up or down. Property transactions tend to be larger and more complex than for other asset classes. As a result the proportion of cash held while awaiting suitable investment opportunities could be greater than for other funds.
- PYS** Property is a less liquid asset than other assets such as fixed interest securities or equities and values could be affected if properties need to be sold in a short timescale. Property valuation is generally a matter of judgement by an independent valuer rather than fact and values can go up or down.
- SC** This fund invests in smaller companies whose shares tend to be bought and sold less frequently than larger companies. There may be large changes in the prices of their shares and their value could fall by large amounts. The price variations of smaller companies might be greater than those of large companies.
- SP** This fund has a select portfolio, which has a limited number of stocks. By investing in a select portfolio there might be greater fluctuations in the value of the units than with a wider portfolio.

This section lists each fund within its ABI sector. For more information about ABI sectors, please see page 13.

## Asia Pacific excluding Japan Equities sector

Fund	Fund aim	Fund risks
<b>Far Eastern Fund</b>	<p>The fund invests via the Halifax Far Eastern OEIC Fund. The Far Eastern OEIC Fund aim is:</p> <p>To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the MSCI AC Asia Pacific ex Japan Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term. The Fund may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).</p> <p>* A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.</p>	EM DVL EQ OS
<b>CM Veritas Asian Fund</b>	<p>Veritas describe their fund's aim as follows: To build capital for long-term investors over a number of years through investment in a focused portfolio of equities and equity related securities in companies located in Asia (excluding Japan).</p>	EM EQ OS

## Europe excluding UK Equities sector

Fund	Fund aim	Fund risks
<b>European Fund</b>	<p>The fund invests via the Halifax European OEIC Fund. The European OEIC Fund aim is:</p> <p>To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the MSCI Europe ex UK Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term. The Fund may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).</p> <p>* A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.</p>	EQ OS
<b>CM Newton Continental European Fund</b>	<p>To achieve capital growth from a carefully selected portfolio of Continental European equities.</p>	EQ OS SC SP

## Flexible Investment sector

Fund	Fund aim	Fund risks
<b>Adventurous Fund</b>	<p>The fund aims to achieve long-term capital growth by gaining exposure almost exclusively to UK and overseas equities, but with some flexibility to gain a minority exposure to commercial property and fixed interest stocks.</p>	EQ FI OS PYS
<b>Dynamic Return Fund</b>	<p>The fund aims to achieve long-term capital growth through gaining exposure to a diversified range of asset classes.</p>	DVL EQ FI HY OS PYS
<b>CM Newton Multi-Asset Growth Fund</b>	<p>To maximise the total return from income and capital growth from a portfolio of UK, EU and international securities.</p>	EQ FI OS

## Global Equities sector

Fund	Fund aim	Fund risks
<b>Ethical Fund</b>	To achieve long term capital growth by investing in companies which are considered ethical, taking into account their primary activities and how they behave in achieving these. The fund will invest in UK and overseas companies which will be selected using a broad range of ethical and socially responsible criteria. These criteria include the environment, employee relations, product quality and business practices.	EQ OS
<b>Global Equity Tracker Fund</b>	To achieve long-term capital growth by investing in a diversified international portfolio of equity or equity related securities traded on the major stock markets of the world. The fund has an emphasis on companies with a large capitalisation, although the portfolio may also include selected shares of medium and small companies where significant growth potential has been identified.	EQ OS SC
<b>International Growth Fund</b>	The fund invests via the Halifax International Growth OEIC Fund. The International Growth OEIC Fund aim is:  To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the MSCI World Index or the MSCI Emerging Markets Index (the "Indices"). The Fund seeks to deliver performance, before deduction of management fees, in excess of a blended return of the Indices, with a similar level of overall volatility, over the long term. Of the two Indices, the fund will invest almost exclusively in companies that are part of the MSCI World Index. The Fund may only take limited positions away from these Indices. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).  * A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.	EM EQ OS
<b>CM Fidelity Worldwide Special Situations Fund</b>	The fund is managed with the aim of achieving long-term capital growth by investing in an actively managed portfolio primarily of UK & International equities.	EM EQ OS SC
<b>CM Newton Global Equity Fund</b>	To achieve long-term capital growth by investing in shares (i.e. equities) and similar investments of companies listed or located throughout the world.	EM EQ OS
<b>CM Schroder Global Equity Fund</b>	The Fund's investment objective is to achieve the optimum overall return of capital and income through flexible global investment management. The Fund will invest internationally in equities quoted on recognised stock exchanges. The Fund may also invest in a wide range of investments including transferable securities, collective investment schemes, warrants and money market instruments.	DV EM EQ OS
<b>CM UBS Global Growth Fund</b>	To achieve long-term growth through active management of a diversified portfolio invested in global equities other than UK equities.	EQ OS SC
<b>CM BlackRock (formerly BGI) World (Ex UK) Fund</b>	To invest in the shares of overseas companies, (Europe, Japan, Far East, US and Canadian markets) according to market capitalisation weightings. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market. This fund aims to achieve a return in line with the FTSE All-World Developed ex-UK Index.	EM EQ OS

## Global Fixed Interest sector

Fund	Fund aim	Fund risks
<b>CM Invesco Perpetual Global Bond Fund</b>	Invesco describe their fund's aim as follows: The fund aims to achieve a combination of income and capital growth over the medium to long term by investing primarily in debt securities and currencies globally. Debt securities include government bonds, as well as securities issued by supranational bodies, local authorities, national public bodies and corporate issuers. The fund may also invest in high yield, unrated, convertible, sub-investment grade debt securities. Financial derivative instruments can be used for investment purposes and for efficient portfolio management.  <b>Please note:</b> The Scottish Widows unit-linked funds aim to provide long-term growth in the price of the units. Any income generated will not be distributed but added to the fund value.	DV EM FI FIG OS
<b>CM Newton International Bond Fund</b>	The fund aims to maximise the total return from the income and capital growth in the world bond markets through investment predominantly in Government and other public securities. The fund may also invest in deposits, derivative instruments and collective investment schemes.	DV EM FI FIG OS

## Japan Equities sector

Fund	Fund aim	Fund risks
<b>Japanese Fund</b>	<p>The fund invests via the Halifax Japanese OEIC Fund. The Japanese OEIC Fund aim is:</p> <p>To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the MSCI Japan Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term. The Fund may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).</p> <p>* A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.</p>	DVL EQ OS

## Mixed Investment 0% – 35% Shares sector

Fund	Fund aim	Fund risks
<b>Non-Equity Fund</b>	The fund aims to provide a long-term total return by gaining exposure almost exclusively to a range of commercial property, fixed interest and index-linked stocks.	FI OS PYS
<b>CM Fidelity Defensive Managed Fund</b>	To achieve capital growth through investment in a wide range of Fidelity investment funds. Primarily invested in a combination of UK corporate and government bonds and other fixed income and money market securities, preference shares and convertibles.	EQ FI HY OS

## Mixed Investment 20% – 60% Shares sector

Fund	Fund aim	Fund risks
<b>Cautious Fund</b>	The fund aims to achieve long-term capital growth by gaining exposure to UK equities, commercial property and fixed interest stocks. The fund will normally operate a broadly equal weighting between the equity and non-equity classes with flexibility to move over and under-weight positions in any asset class to meet market circumstances.	EQ FI OS PYS
<b>CM Invesco Perpetual Distribution Fund</b>	<p>Invesco describe their fund's aim as follows: The fund aims to achieve a combination of income and capital growth over the medium to long term by investing primarily in corporate and government debt securities globally (which may be unrated or sub-investment grade) and equities. Financial derivative instruments can be used for investment purposes and for efficient portfolio management.</p> <p><b>Please note:</b> The Scottish Widows unit-linked funds aim to provide long-term growth in the price of the units. Any income generated will not be distributed but added to the fund value.</p>	DV EQ FI HY OS
<b>CM Newton Multi-Asset Diversified Return Fund</b>	To achieve long-term capital growth from a balanced portfolio in a range of international markets, measured against a benchmark of Libor GBP 1 Month +2% per annum.	DV EM EQ FI HY OS

## Mixed Investment 40% – 85% Shares sector

Fund	Fund aim	Fund risks
<b>Balanced Fund</b>	The objective of the Fund is to achieve long term capital growth for sterling based investors through a diversified portfolio of investments. The investment adviser will seek to achieve the objective of the Fund by using a combination of securities and cash to provide an appropriate balance between risk and reward.	EQ FI OS PYS
<b>Balanced Fund of Funds</b>	The objective of the fund is to achieve capital growth. The policy of the fund is to gain exposure to one or more of the following asset classes: fixed income, cash, near cash and deposits, equities, property, collective investment schemes which have as their objective an absolute or target return, structured products or any other geographic or economic sectors of the world.	DV EQ FI HY OS PYS
<b>CM Newton Multi-Asset Balanced Fund</b>	To achieve a balance between capital growth and income from a portfolio of UK and international securities.	DV EM EQ FI HY OS SC
<b>CM Schroder Managed Balanced Fund</b>	The fund's investment objective is to give a balanced exposure to UK and overseas equities and fixed income securities through a range of underlying authorised unit trusts, recognised schemes and collective investment schemes. The proportionate percentage to be invested in each underlying scheme will be decided by the investment adviser in light of current economic and other circumstances and may include a proportion in cash. Efficient portfolio management techniques will be utilised when considered appropriate.	EQ FI OS
<b>CM UBS Global Allocation Fund</b>	To achieve long-term capital growth through the active management of a diversified portfolio invested in domestic and international equities, bonds and cash.	DV EM EQ FI FIG HY OS

## Money Market sector

Fund	Fund aim	Fund risks
<b>Cash Fund</b>	The fund aims to give an attractive rate of return on short term deposit instruments as well as the liquidity required in a short term investment. The fund invests in cash deposits and other forms of interest bearing money instruments where the capital is at low risk - normally in the UK.	<b>Specific risks</b> The fund can invest in high-quality, mostly short-term debt instruments such as fixed deposits, certificates of deposit, commercial paper and floating rate notes. It carries a relatively modest risk to capital.
<b>Halifax Fund</b>	The fund invests in deposits within the Lloyds Banking Group. The rate of return varies in line with changes in interest rates which, together with the annual management charge, is reflected in the unit price. If interest rates fall below the level of the annual management charge the unit price will fall. The unit price will also fall if the bank holding the deposits becomes insolvent.	

## North America Equities sector

Fund	Fund aim	Fund risks
<b>North American Fund</b>	<p>The fund invests via the Halifax North American OEIC Fund. The North American OEIC Fund aim is:</p> <p>To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the S&amp;P 500 Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term. The Fund may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).</p> <p>* A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.</p>	EQ OS
<b>CM Boston Company US Opportunities Fund</b>	To achieve capital growth from a portfolio of US equities.	EQ OS SC
<b>CM UBS US Equity Fund</b>	To achieve long-term growth through active management of a diversified portfolio primarily invested in US equities.	EQ OS

## Specialist sector

Fund	Fund aim	Fund risks
<b>Target Return Fund</b>	<p>The fund aims to deliver positive returns on an annual basis with the prospect of long-term capital growth commensurate with returns from equities but with a lower volatility. Investment in the fund is at risk. There is no guarantee that the fund will deliver positive returns over the specific, or any, time period.</p>	DVL EQ FI HY OS PR PYS

## Sterling Corporate Bond sector

Fund	Fund aim	Fund risks
<b>CM Fidelity MoneyBuilder Income Fund</b>	To achieve an attractive level of income from a portfolio primarily invested in GBP-denominated fixed-interest securities.	FI FIG HY
<b>CM Schroder Corporate Bond Fund</b>	To achieve an optimum level of interest (or yield) with the lowest possible level of risk by investing in bonds and other fixed interest securities, primarily those issued by UK companies and the British Government.	DV FI HY

## Sterling Fixed Interest sector

Fund	Fund aim	Fund risks
<b>Gilt &amp; Fixed Interest Fund</b>	To provide long-term growth by investing in a range of fixed-interest assets.	FI FIG HY OS
<b>CM BlackRock (formerly BGI) Corporate Bond Fund</b>	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue.	FI

## Sterling High Yield sector

Fund	Fund aim	Fund risks
<b>CM Schroder Monthly High Income Fund</b>	The Fund's investment objective is to achieve a high level of income from a diversified portfolio of debt securities. The full spectrum of available securities, including unrated issues and those of non-investment grade, will be utilised. Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, warrants and money market instruments.	FI HY

## Sterling Long Bond sector

Fund	Fund aim	Fund risks
<b>Retirement Protection Fund</b>	To broadly match the performance of those UK gilt edged stocks which influence market yields for pension annuity rates by investing totally in long-dated stocks.	FI FIG
<b>CM BlackRock (formerly BGI) Over 15 Year Gilt Fund</b>	To invest in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.	FI FIG

## UK All Companies sector

Fund	Fund aim	Fund risks
<b>UK Equity Fund of Funds</b>	To achieve long-term capital growth by investing predominantly in units of collective investment schemes which invest in any sector of the UK economy. The fund may also invest directly in securities in such sectors.	DV EQ
<b>UK Equity Tracker Fund</b>	To achieve long-term capital growth by investing in a representative sample of UK equities and for these assets to match the total return performance of the FTSE All-Share Index.	EQ
<b>UK Growth Fund</b>	The fund invests via the Halifax UK Growth OEIC Fund. The UK Growth OEIC Fund aim is: To achieve long term capital growth by investing predominantly in a portfolio of companies which are part of the FTSE All Share Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term. The Fund may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).  * A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.	EQ
<b>CM Fidelity MoneyBuilder Growth Fund</b>	The fund aims to provide income and long-term capital growth. It invests primarily in the shares of UK companies with a likely bias towards larger Companies and has the freedom to invest outside the fund's principal geographies, market sectors, industries or asset classes. It can use derivatives with the aim of risk or cost reduction or to generate additional capital or income in line with the fund's risk profile.	EQ OS
<b>CM Newton UK Equity Fund</b>	To achieve a total return comprised of long-term capital growth and income by investing in shares (i.e. equities) and similar investments of companies listed or located in the UK.	EQ OS SC
<b>CM Schroder UK Mid 250 Fund</b>	To achieve long-term capital growth by investing in the medium-sized companies listed on the FTSE Mid 250 Index.	EQ
<b>CM UBS UK Opportunities Fund</b>	To achieve long-term growth through active management of a diversified portfolio invested primarily in UK equities.	EQ SC

## UK Equity Income sector

Fund	Fund aim	Fund risks
<b>UK Equity Income Fund</b>	<p>The fund invests via the Halifax UK Equity Income OEIC Fund. The UK Equity Income OEIC Fund aim is:</p> <p>To provide above average income, along with potential long term capital growth by investing predominantly in a portfolio of companies which are part of the FTSE All Share Index (the "Index"). The Fund seeks to deliver performance, before deduction of management fees, in excess of the Index with a similar level of overall volatility, over the long term.</p> <p>Companies will be selected which have the potential to provide higher than average dividend yields* and to achieve long term capital growth. The Fund seeks to hold more in these companies in comparison to the Index. Therefore, while the Fund will invest in a large number of companies in common with the Index, the amount held in any one company may be significantly different to the Index.</p> <p>The Fund is limited in the extent to which it can hold more (overweight) or less (underweight) in sectors** relative to the Index, but it aims to hold more in sectors which are expected to provide a higher than average dividend yield.</p> <p>* The dividend yield is calculated by dividing the annual dividend paid in respect of a share by its share price.</p> <p>** A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business, for example travel and leisure or telecommunications.</p>	EQ
<b>CM Invesco Perpetual High Income Fund</b>	To achieve a high level of income, together with capital growth by primarily investing in companies listed in the UK.	EQ FI HY
<b>CM Newton UK Income Fund*</b>	To achieve increasing distribution on a calendar year basis with long-term capital growth.	EQ SP
<b>CM BlackRock (formerly BGI) UK Equity Fund</b>	To achieve long-term growth by investing in shares of UK companies in order to achieve a return that is consistent with that of the FTSE All-Share Index.	EQ

\* Formerly known as the CM Newton Higher Income Fund

## UK Gilts sector

Fund	Fund aim	Fund risks
<b>CM Schroder Gilt &amp; Fixed Interest Fund</b>	The fund aims to achieve a high level of income with the potential for capital growth, from investment in a diversified portfolio of sterling denominated fixed interest securities.	FI FIG

## UK Index-Linked Gilts sector

Fund	Fund aim	Fund risks
<b>UK Index-Linked Gilt Fund</b>	The fund aims to maximise total returns by investing primarily in interest bearing securities issued by the UK government with flexibility to gain exposure to a minority holding in other fixed interest stocks.	FI FIG
<b>CM BlackRock (formerly BGI) Over 5 Years Index-Linked Gilt Fund</b>	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return that is consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.	FI FIG

## UK Smaller Companies sector

Fund	Fund aim	Fund risks
<b>Smaller Companies Fund</b>	The fund aims to achieve long-term capital growth through investing mainly in smaller companies, principally in the UK.	EQ SC
<b>CM UK Smaller Companies Fund</b>	To give long-term capital growth by investing in a wide portfolio of primarily UK smaller companies' shares.	EQ SC

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