

PART 2: DETAILED INFORMATION ABOUT FUND CHOICES



This booklet contains detailed information about the **Funds** that would be available for you to invest in, if the **Proposal** goes ahead. You should read this and the rest of the pack carefully before making your choice.

If you need more help, see Part 1 of your Investment Choice Pack, Section 6 'More help with your investment choice', or call 0330 159 1530.

PART 2

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See Part 1 of your Investment Choice Pack for information about; investment timelines, charges and taxation, and what to do once you've made your choice.

If you need further help or information, call 0330 159 1530.

1. WHAT TO THINK ABOUT WHEN CHOOSING FUNDS

What are self-select *Funds*?

As well as the *Automatic investment options* that would be available to you, should the *Proposal* go ahead, you could choose to select individual or a combination of *Funds* from our self-select *Fund* range.

This option offers more experienced investors the opportunity to choose from a range of self-select *Funds*. The *Fund* range provides exposure to different *Assets* and *Markets*, allowing you to build a *Portfolio* to suit your own financial needs and attitude to risk and reward. The key would be to select a *Fund* or *Funds* to help you achieve your individual *Investment objectives*, while also keeping risks at a level that you are comfortable with. The value of all *Unit-Linked Funds* can go down as well as up and you may not get back the amount you invested. You should ensure you are comfortable with the level of risk and reward associated with any *Fund(s)* you invest in.

There would be no restriction on the number of *Funds* you could invest in, and you could choose to combine the *Investing by Age* strategy (pension policies only) or *Multi-Asset Funds* with other *Funds* from the self-select list. You would be able to move your savings to different *Funds* at any time in the future (see Section 6 'Making changes to your investments in the future').

For more information about the Investing by Age strategy for pensions, see Part 1 of your Investment Choice Pack, Section 3.

What to do next:

Read Part 1 of your Investment Choice Pack, Section 2 'What to think about when making your investment choice'. This explores how you could assess your attitude to risk and reward by considering your *Time horizon* (the length of time you wish to invest for) and how you feel about financial risks and potential loss.

If you need more information or help, please see Part 1 of your Investment Choice Pack, Section 6 'More help with your investment choice'.

For help with any of the terms in *bold italics* in this booklet, please see Section 7 'Glossary'.

UNDERSTANDING INVESTMENT RISK

You could select from five types of **Unit-Linked Fund**. Each type of **Fund** would carry a different level of risk to your savings. As a general rule, the lower the risk to your capital, the lower the potential **Return** – and the higher the risk, the higher the potential **Return**. The value of all **Unit-Linked Funds** can go down as well as up.

Different funds can play different roles in a *Portfolio*

It's worthwhile spending time understanding how each type of **Fund** works and the risks involved before making your investment decision. Here is an overview of the main **Fund** types and the risks involved.

Characteristics of different *Fund* types

1. MULTI-ASSET FUNDS: Risk level varies according to investment mix

- ▶ Invest across a wide range of **Equity**, **Bond** and property **Markets**.
- ▶ Provide investors with a high level of **Diversification** in just one **Fund**.
- ▶ International **Exposure** will mean foreign exchange risks.
- ▶ **Returns** may not keep pace with **Inflation**.

2. MONEY MARKET AND CASH FUNDS: Low risk

- ▶ Invest in **Cash deposits** or **Money Market** instruments.
- ▶ **Cash deposits** have a high level of capital protection.
- ▶ **Money Market Securities** may carry some credit risk.
- ▶ **Returns** will likely be low and may not keep pace with **Inflation**.

3. GOVERNMENT BOND FUNDS: Low-to-medium risk

- ▶ Invest in **Bonds** issued by governments.
- ▶ **Bonds** selected by professional **Fund** managers.
- ▶ Low risk of **Default** by governments reduces risk.
- ▶ **Returns** may not keep pace with **Inflation**.
- ▶ Changes to interest rates may reduce the **Market** value.

4. CORPORATE BOND FUNDS: Low-to-medium risk

- ▶ Invest in **Bonds** issued by a range of different corporate borrowers.
- ▶ **Bonds** selected by professional **Fund** managers.
- ▶ **Returns** can be higher than from **Government Bonds**.
- ▶ Potential for **Default** by borrowers adds to the risk.
- ▶ **Returns** may not keep pace with **Inflation**.
- ▶ Changes to interest rates may reduce the **Market** value.

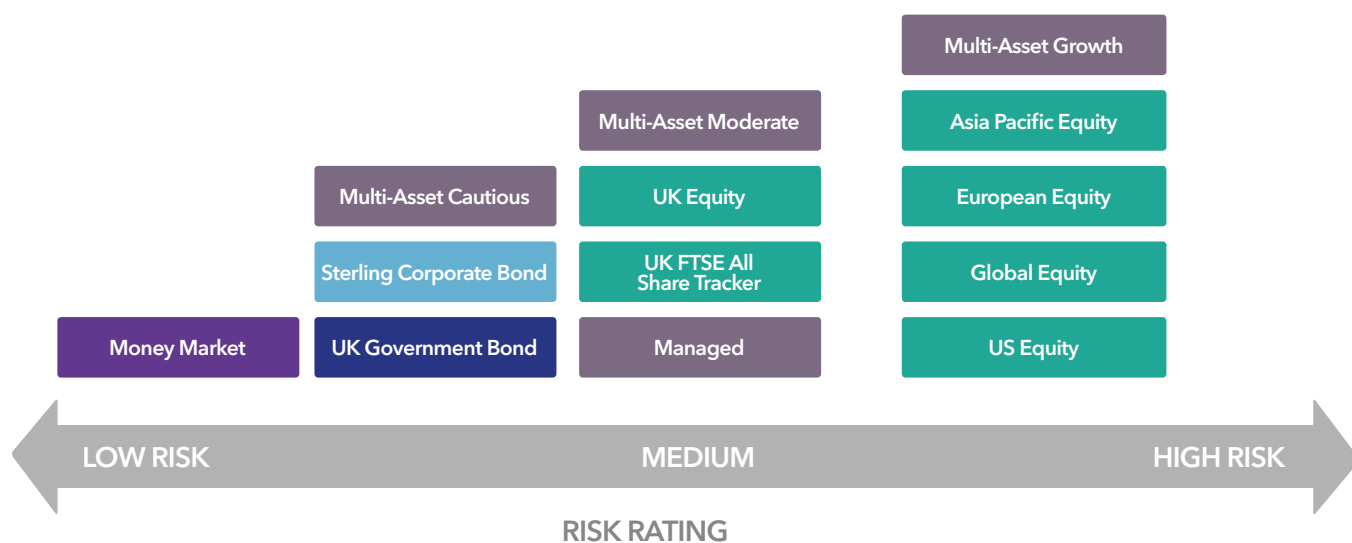
5. EQUITY (SHARE) FUNDS: Medium-to-high risk

- ▶ Invest across a wide range of company **Shares**.
- ▶ **Equity Markets** can be **Volatile** and **Fund** value will depend on underlying share prices. The value of your savings could go down as well as up.
- ▶ International **Equities** will carry foreign exchange risks.
- ▶ **Emerging market Equities** may carry additional political and economic risks.



RISK RATINGS AND DESCRIPTIONS

Whether you are a life or pension investor, you could choose from the following range of **Funds**.



● Cash & Money Market Funds ● Government Bond Funds ● Corporate Bond Funds ● Equity (Share) Funds ● Multi-Asset Funds

We have given each **Fund** a risk rating, from low risk to high risk, which takes into account the potential risk to your savings as well as the potential for long-term **Returns**. Lower risk **Funds** prioritise protection from losses over

growing your money, while higher risk **Funds** have the greatest potential for long-term **Growth**, but also present the greatest risk to your savings.

LEVEL OF RISK	DESCRIPTION
Low	<i>Return</i> of capital is the priority ahead of potential <i>Growth</i> although your capital is not guaranteed. With low risk <i>Funds</i> , it is possible that your investment <i>Return</i> will be insufficient to meet your financial goals. <i>Growth</i> would be likely to be modest and may not keep pace with <i>Inflation</i> .
Low-to-medium	Investments that offer some element of protection from losses alongside the possibility of long-term investment <i>Growth</i> or income. The value of your capital could go up or down. With low-to-medium risk <i>Funds</i> , it is possible that your investment <i>Return</i> will be insufficient to meet your financial goals. <i>Returns</i> may not keep pace with <i>Inflation</i> .
Medium	Long-term <i>Growth</i> and income are balanced against risk to capital. The value of your capital could go up or down.
Medium-to-high	Long-term <i>Growth</i> and income are the priority. The value of your capital could go up or down, potentially by greater amounts than <i>Funds</i> in the 'Medium' risk category.
High	The greatest potential for capital <i>Growth</i> or income. But also the highest risk of capital loss. The value of your capital could go up or down, more frequently and by greater amounts, than lower risk funds.

You should read the information about each *Fund* carefully so that you can make an informed decision, taking into account your personal financial situation and goals, and how you feel about taking risks.

DIVERSIFICATION

You may want to consider spreading your investment across a number of different types of **Unit-Linked Fund**. This is known as **Diversification** and it could help to reduce the impact of changes in the **Market** on your investment value. The **Multi-Asset Fund** options could do this for you.

Different **Markets** and different types of investment are driven by different factors, so they tend to perform well at different times—helping to reduce **Fluctuations** in the value of your investment (**Volatility**). For example, when **Stock Markets** are falling, **Bond Markets** may rise.

Therefore, choosing a mix of **Bond Funds** and **Equity Funds**, or investing in a **Multi-Asset Fund** that invests in both **Bonds** and **Equities**, could help to reduce the overall **Volatility** of your investments.



CHOOSING A FUND TYPE

If you wish to choose your own investment **Portfolio**, the following section will help explain how each type of **Fund** could play a different role in your investment planning, depending on your attitude to risk and how long you want to invest for.

Multi-Asset Funds

These **Funds** can invest across a wide range of **Equity** and **Bond Markets** (and other **Assets**) providing investors with a high level of **Diversification**.

Choosing a Fund: Our three **Multi-Asset Funds** have different levels of risk and reward so that they offer choice to cautious investors and those who can afford to take more risk with their savings to increase their **Growth** potential. To choose one of these **Funds**, think about your financial goals and the level of risk and reward you are comfortable with before you make your decision.

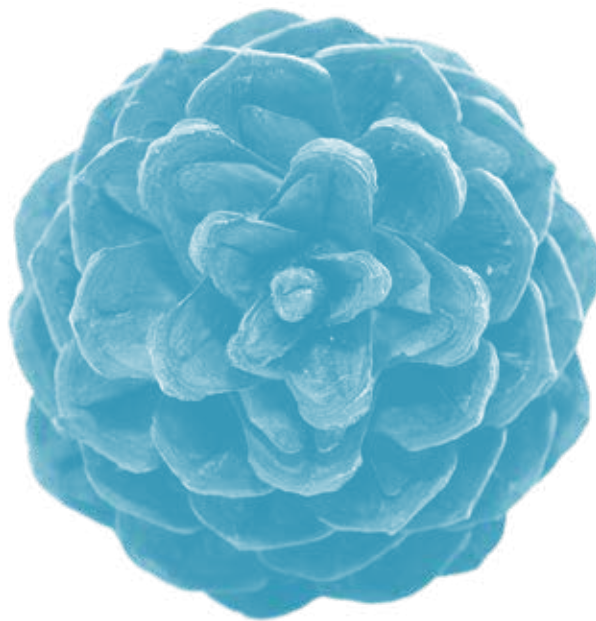
See Part 1 of your Investment Choice Pack, Section 2 'What to think about when making your investment choice' for more information.

Equity Funds

Equity Funds combine investors' money and invest across a wide range of company **Shares**. They provide professionally managed exposure to the **Growth** potential of **Stock Markets**.

Investors may experience large **Fluctuations** in the value of their investments, so should be prepared to invest for the long term (for at least five years).

Choosing a Fund: One of the first things to consider when selecting **Equity Funds** is where in the world to invest. You may want to look at **Funds** investing in the UK market, choose a global **Fund**, or add more **Diversification** by investing in other regions.



Bond Funds

Bonds are loans an investor makes, usually to governments and companies, which pay a regular income to the lender (the **Fund**) over the term of the loan. The original loan is also expected to be repaid to the **Fund** when the investment **Matures**. **Bond Funds** can invest in **Bonds** issued by a range of different borrowers.

- ▶ **Government Bond Funds** invest in loans to governments so there is a lower risk that the lender will not receive full repayment of the interest and capital, compared to **Funds** which invest in loans to companies. They may therefore provide some level of security for your savings, however, there is a risk that they may not keep pace with **Inflation**.
- ▶ **Corporate Bond Funds** typically pay higher **Returns** than **Government Bond** funds so may be suitable if you are looking for a higher long term **Return** than typically provided by **Government Bonds**. Although investing in loans to high quality companies can reduce risk, **Corporate Bond Fund** investments usually carry a higher risk of **Default** (missing income payments or not repaying lenders) than investments of **Government Bond Funds**.

It's important to remember that although **Bonds** pay a fixed level of interest, **Bond** prices can still fluctuate and investors in **Bond** funds may see the value of their savings fall as well as rise. This is because changes to interest rates could reduce the **Market** value of **Bond Fund** investments.

Choosing a Fund: Investors may select different types of **Bond Fund** depending on their attitude to risk and the **Returns** they are looking to generate.

Money Market/Cash Funds

Money Market/Cash Funds invest in **Securities** with a very short **Maturity**, usually issued by governments, financial institutions or large companies.

Choosing a Fund: Because they have such a short **Maturity** and are usually issued by high quality issuers, **Money Market Securities** can provide a high level of capital security and **Liquidity**. With high security, **Growth** is likely to be modest and the value of your savings may not keep pace with **Inflation**.

RISK WARNINGS

There are different risks associated with different types of **Fund**. To help you understand which risks would apply to which **Fund**, we've assigned risk warnings to each **Fund**. We explain in detail what each warning means below. Not all warnings apply to all **Funds**.

RISK WARNING	DESCRIPTION
Asset allocation	The Fund's Asset allocation is actively managed. There is a Risk that the performance of the Fund will suffer if the allocation to any particular Asset class is low when that Asset class is outperforming or high when that Asset class is underperforming.
Bonds	The value of Bonds and other debt Securities may change significantly depending on Market , economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other debt Securities may be downgraded.
China A	The Fund may invest in China A-Shares through the China-Hong Kong Stock Connect Programmes, which are subject to regulatory change, quota limitations and also operational constraints, which may result in increased counterparty risk.
Currency hedging	To the extent that any underlying Assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency Fluctuations may not always be successful.
Debt securities	The value of debt Securities may change significantly depending on Market , economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of debt Securities may fail to meet payment obligations (default) or the credit rating of debt Securities may be downgraded.
Derivatives	The Fund may use financial derivative instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying Asset can cause a large movement in the value of the derivative. Therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund .
Emerging markets	Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial Risks . Emerging market currencies may be subject to Volatile price movements. Emerging market Securities may also be subject to higher Volatility and be more difficult to sell than non- Emerging market Securities .

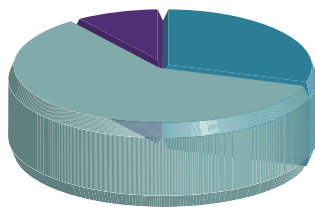
RISK WARNING	DESCRIPTION
Equity	The value of Equity and Equity-linked securities may Fluctuate in response to the performance of individual companies and general Market conditions.
Foreign exchange	Movements in currency exchange rates can adversely affect the return of your investment.
Index tracking	The Fund is not expected to track the performance of the index at all times with perfect accuracy. The Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the index.
Lower-rated bonds	Bonds and other debt Securities with a lower credit rating may have a higher Risk of defaulting, which may in turn have an adverse effect on the performance of Funds that invest in them.
Real estate	Investments in companies engaged in the business of real estate may be subject to increased liquidity Risk and price Volatility due to changes in economic conditions and interest rates.
Reverse repurchase agreements	The counterparty of reverse repurchase agreements may fail to meet its obligations which could result in losses to the Fund .
Single market (UK)	The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic Risks and, as a result, the Fund may be more Volatile than more broadly Diversified Funds .
Single market (US)	The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic Risks and, as a result, the Fund may be more Volatile than more broadly Diversified Funds .
Smaller companies	The Fund invests in Securities of smaller companies, which may be more difficult to sell, more Volatile and tend to carry greater financial Risk than Securities of larger companies
Unrated debt securities	The credit worthiness of unrated debt Securities is not measured by reference to an independent credit rating agency.
Value of investments	The value of your investment may fall as well as rise and you may get back less than you originally invested.
Zero or negative yields	In adverse market conditions, the Fund may invest in zero or negative yielding securities, which will have an impact on the return of the Fund .

2. SELF-SELECT: MULTI-ASSET FUNDS

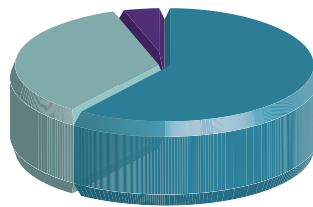
If the **Proposal** goes ahead, we would offer three **Multi-Asset Funds** that each provide **Exposure** to a broad mix of investments designed for different goals and attitudes to risk.

Whether your priority is to preserve your savings or invest for **Growth**, we would have a **Multi-Asset Fund** to help.

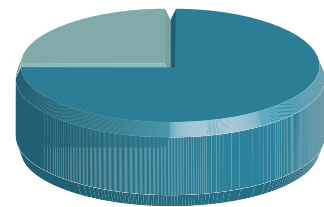
MULTI-ASSET CAUTIOUS



MULTI-ASSET MODERATE



MULTI-ASSET GROWTH



● Shares	30%	60%	75%
● Bonds	60%	35%	25%
● Cash	10%	5%	0%

LOWER RISK

Likely to encounter less dramatic price *Fluctuations*

HIGHER RISK

Likely to encounter more dramatic price *Fluctuations*

Percentages shown are approximate and are subject to change based on investment manager views over time

The value of all **Unit-Linked Funds** can go down as well as up and you may not get back the amount you invested. You should ensure you are comfortable with the level of risk and reward associated with any **Fund** you invest in.

For descriptions of risk ratings and risk warnings, see Section 1.

RISK RATING	MULTI-ASSET CAUTIOUS
LOW-TO-MEDIUM	OBJECTIVE To provide capital Growth in the long term by investing in a combination of Asset classes including Equities, Fixed Income and cash with the potential for low to moderate levels of price Fluctuations .
	ASSET CLASS <i>Equity, Fixed interest, cash</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , currency hedging, Emerging Markets, Bonds , lower-rated Bonds , derivatives, Asset allocation
	UNDERLYING INVESTMENT JPM Multi-Asset Cautious

RISK RATING	MULTI-ASSET MODERATE
MEDIUM	OBJECTIVE To provide capital Growth in the long term by investing in a combination of Asset classes including Equities, Fixed Income, property and cash with the potential for moderate to high levels of price Fluctuations .
	ASSET CLASS <i>Equity, Fixed interest, cash, property</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , currency hedging, Emerging Markets, Bonds , lower-rated Bonds , real estate, derivatives, Asset allocation
	UNDERLYING INVESTMENT JPM Multi-Asset Moderate

RISK RATING	MULTI-ASSET GROWTH
MEDIUM-TO-HIGH	OBJECTIVE To provide capital Growth in the long term by investing in a combination of Asset classes including Equities, Fixed Income, property and cash with the potential for high levels of price Fluctuations .
	ASSET CLASS <i>Equity, Fixed interest, cash, property</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , currency hedging, Emerging Markets, Bonds , lower-rated Bonds , real estate, derivatives, asset allocation
	UNDERLYING INVESTMENT JPM Multi-Asset Growth

If you need further help or advice with your choice, please see Part 1 of your Investment Choice Pack, Section 6 'More help with your investment choice'.

For help with any of the terms in *bold italics* in this booklet, please see Section 7 'Glossary'.

3. SELF-SELECT: OTHER FUNDS

For descriptions of risk ratings and risk warnings, see Section 1.

For more information about *Investing by Age* (pension policies only), see Part 1 of your Investment Choice Pack, Section 3 '*Automatic investment options*'.

RISK RATING	MONEY MARKET
LOW	OBJECTIVE To preserve capital whilst aiming to provide a <i>Return</i> in line with prevailing short term <i>Money Market</i> rates.
	ASSET CLASS Cash
	ANNUAL MANAGEMENT CHARGE 0.50% (£5 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, debt <i>Securities</i> , zero or negative yields, unrated debt <i>Securities</i> , reverse repurchase agreements
	UNDERLYING INVESTMENT JPM Sterling <i>Liquidity</i> Aberdeen <i>Liquidity</i> (Lux) - Sterling

RISK RATING	STERLING CORPORATE BOND
LOW-TO-MEDIUM	OBJECTIVE To achieve a positive <i>Return</i> by investing primarily in a <i>Portfolio</i> of Sterling denominated <i>Corporate Bonds</i> .
	ASSET CLASS <i>Fixed interest Bonds</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, single market (UK), currency hedging, <i>Bonds</i> , lower-rated bonds
	UNDERLYING INVESTMENT JPM Sterling <i>Corporate Bond</i>

RISK RATING	UK GOVERNMENT BOND
LOW-TO-MEDIUM	OBJECTIVE To achieve a positive <i>Return</i> by investing primarily in a <i>Portfolio</i> of UK <i>Government Bonds</i> .
	ASSET CLASS <i>Fixed interest UK Government Bonds</i>
	ANNUAL MANAGEMENT CHARGE 0.50% (£5 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, single market (UK), currency hedging, <i>Bonds</i>
	UNDERLYING INVESTMENT JPM UK <i>Government Bond</i> ASI (AAM) Sterling <i>Government Bond</i>

RISK RATING	MANAGED
MEDIUM	OBJECTIVE To maximise the overall <i>Return</i> from investments covering the UK and overseas <i>Equities</i> , <i>Gilt-Edged</i> and <i>Fixed interest</i> stock and property.
	ASSET CLASS <i>Equity, Gilt-Edged, Fixed interest, Emerging Markets</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, equity, currency hedging, <i>Emerging Markets</i> , <i>Bonds</i> , lower-rated <i>Bonds</i> , real estate, derivatives, asset allocation
	UNDERLYING INVESTMENT JPM <i>Multi-Asset</i> Moderate Selection of <i>Funds</i> managed by ASI

RISK RATING	UK FTSE ALL SHARE TRACKER
MEDIUM	OBJECTIVE To achieve long term capital Growth and to produce a Return that, before charges and expenses, matches the total Return of the UK FTSE All Share Index.
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.50% (£5 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , single market (UK), index tracking
	UNDERLYING INVESTMENT JPM UK Equity Index ASI UK All Share Tracker

RISK RATING	UK EQUITY
MEDIUM	OBJECTIVE To achieve long term capital Growth by investing mainly in UK companies.
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , single market (UK)
	UNDERLYING INVESTMENT JPM UK Equity Core ASI UK Equity Enhanced Index

RISK RATING	ASIA PACIFIC EQUITY
MEDIUM-TO-HIGH	OBJECTIVE To achieve capital Growth in the long term by investing mainly in Asia Pacific companies (excluding Japanese).
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , Emerging Markets , foreign exchange, smaller companies, China A
	UNDERLYING INVESTMENT JPM Asia Pacific Equity ASI Asia Pacific Equity Enhanced Index

RISK RATING	EUROPEAN EQUITY
MEDIUM-TO-HIGH	OBJECTIVE To achieve capital Growth in the long term by investing mainly in European countries excluding the UK.
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , foreign exchange
	UNDERLYING INVESTMENT JPM Europe (Ex-UK) Research Enhanced Index Equity ASI European Equity Enhanced Index

RISK RATING	GLOBAL EQUITY
MEDIUM-TO-HIGH	OBJECTIVE To achieve capital Growth in the long term by investing in a Diversified global Portfolio of companies.
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , Emerging Markets , foreign exchange
	UNDERLYING INVESTMENT JPM Global Research Enhanced Index Equity ASI World Equity Enhanced Index

RISK RATING	US EQUITY
MEDIUM-TO-HIGH	OBJECTIVE To achieve capital Growth in the long term by investing mainly in US companies.
	ASSET CLASS <i>Equity</i>
	ANNUAL MANAGEMENT CHARGE 0.75% (£7.50 per year per £1,000 savings)
	FUND RISK WARNINGS Value of investments, Equity , single market (US), foreign exchange
	UNDERLYING INVESTMENT JPM US Research Enhanced Index Equity ASI American Equity Enhanced Index

4. WHO WOULD MANAGE MY SAVINGS?

About us and our investment partners.

About Utmost Life and Pensions

Utmost Life and Pensions is a specialist UK life company.

We provide a safe home for both existing and transferring policyholders' **Funds**, due to our strong capital position and efficient operational management.

Utmost Life and Pensions is a life and pensions company operating in the UK, one of the largest, most sophisticated insurance **Markets** in the world. We are currently looking after 100,000 customers, with £1.7bn of **Assets**. We're also part of the wider Utmost Group of Companies; a growing specialist life assurance group currently managing £33bn of **Assets** under administration and 240,000 customers. Every policyholder under our care benefits from our commitment to delivering excellent life and pensions knowledge, helping to secure their peace of mind for tomorrow.

Our new investment partner

We are delighted to introduce our new investment partner, J.P. Morgan Asset Management, one of the largest and best-known names in investment management, with the experience, scale and expertise that we believe are necessary to help your money grow over time.

About J.P. Morgan Asset Management

J.P. Morgan Asset Management is a leading **Asset Manager** for individuals, advisors and institutions, with \$1.7 trillion under management (as at 31 December 2018). Its investment teams around the world draw on over 150 years of history, with expertise across every major **Asset** class.

The investment professionals that make up the **Multi-Asset** solutions team at J.P. Morgan Asset Management are dedicated to designing, constructing and managing **Multi-Asset** solutions built around a wide range of investor needs. The team, which has more than 80 specialist **Multi-Asset** investors located across the globe, has a 45-year history of developing and managing successful **Multi-Asset Portfolios**.

About Aberdeen Standard Investments

Aberdeen Standard Investments has been the Equitable's **Unit-Linked Fund** provider since 2015. If the **Proposal** goes ahead, existing **Unit-Linked Funds** in the Equitable will be renamed and become Utmost Life and Pensions' **Funds**. Aberdeen Standard Investments will continue to manage some **Underlying investments** in those **Funds**.

5. UNIT-LINKED FUNDS EXPLAINED

Information to help you understand some of the terms and concepts related to **Unit-Linked** investments.

What is a **Unit-Linked Fund**?

Unit-Linked Funds allow you to combine your money with other investors so that you can access a **Diversified** range of investments within a single **Portfolio**. They have several key features that make them a cost-effective way to invest in global **Stock Markets** and **Bond Markets**:

- ▶ They can invest in a range of **Securities** and **Assets**, including **Shares** of British/overseas companies, **Corporate Bonds**, **Government Bonds**, **Money Market** instruments and **Cash deposits**.
- ▶ When you invest your savings, you buy units in the **Fund**. The number of units you receive will depend on how much you invest and the price of the units at the time of purchase.
- ▶ Some **Funds** provide a low **Return** with little risk of not getting your money back but may not keep pace with **Inflation**. Other **Funds** can provide potentially higher **Returns** but with a higher risk and reward to your money.

How unit pricing works

The value of your **Unit-Linked Funds** is based on the number of units you hold multiplied by the price of those units. The **Unit-Linked Funds** are priced once each working day at noon. Our website will be updated with the new price overnight and is available to view the following day.

- ▶ The price of the units will be calculated daily and will depend on the value of the **Fund's Underlying investments**. The value of the units will then rise or fall depending on the ongoing performance of the **Underlying investments**.
- ▶ While you are invested, you could choose to **Switch** between **Funds**.
- ▶ When you come to take your savings, you sell some or all of your units, and the amount you receive is the value of the units on that day.
- ▶ It's important to bear in mind that the value of **Unit-Linked Funds** can go down as well as up and you may not get back the amount you invested. You should ensure you are comfortable with the level of risk and reward associated with any **Fund** you invest in.

You can find out the value of your investments by either writing to us or calling 0330 159 1530. You can also see the value of your investments in your Annual Statement.

Unit price

The **Unit price** is the total value of the **Fund** divided by the number of units held in the **Fund**. You will be able to find prices of our **Funds** on our website.

Bid price

This is the price at which you can sell units.

Offer price

This is the price at which you can buy units and is the price at which units are normally allocated to your policy.

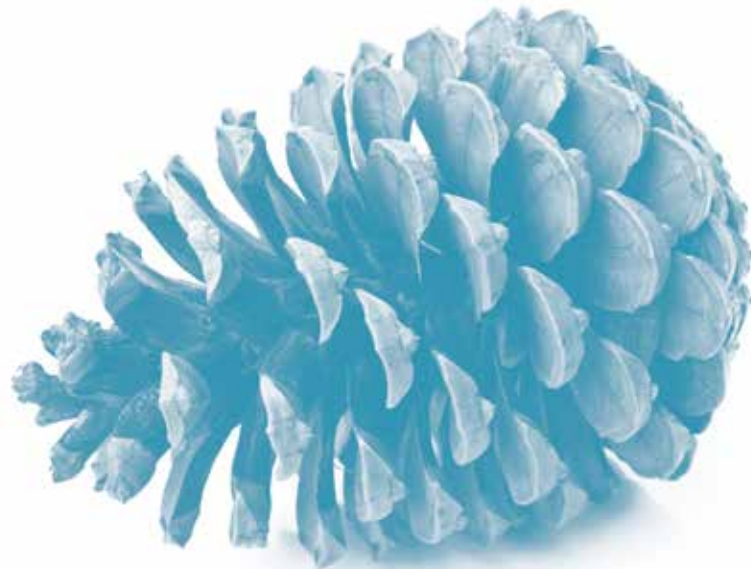
Our bid and offer prices are currently the same as we do not have any initial charges or exit charges at this time.

Pricing errors

We make every effort to calculate prices accurately and all are thoroughly checked before publication. If a significant error does occur, we will do everything we can to correct it as soon as possible. We will put you back as closely as we can to the position you would have been in had the error not occurred. In line with industry practice, we will always consider an error of 0.5% or more in **Unit prices** to be significant. If you were to benefit from a pricing error, we reserve the right to recover this.

Pricing in exceptional circumstances

In exceptional circumstances, it may not be possible to price a **Fund** in the usual way. For example, **Shares** in individual companies may be suspended because of unusual trading patterns or a restructure, or entire **Stock Markets** may close temporarily if conditions are extreme. In the rare event of this happening, we would ensure that a fair price is set to protect the interests of all policyholders. In extreme conditions where we cannot set a price, we may defer purchase or sale of units for a limited period until a price becomes available.



6. MAKING CHANGES TO YOUR INVESTMENTS IN THE FUTURE

If your needs or circumstances change, you would be able to move some or all of your savings to a different **Fund(s)**. This is known as **Switching**.

There would be no restriction on the number of **Switches** you can make or the number of **Funds** you can invest in.

Letting us know about a change

To make a change, you would be able to call on 0330 159 1530 and we can provide you with a form to complete. If the **Proposal** goes ahead, you would be able to access the form directly from the website at www.utmost.co.uk.

You will see a continuity of service provided by the same team in Aylesbury on the same telephone number - 0330 159 1530.

No charge for Switching

There is currently no charge for **Switching Funds**, although we reserve the right to introduce one in the future.

Restarting Contributions

If you don't currently pay into your policy, you may be able to restart your **Contributions** if you wish to do so, depending on your contract type. Call 0330 159 1530 to discuss how you can do this.



7. GLOSSARY

Annual Management Charge (AMC)	A charge covering the costs of managing a fund, expressed as a percentage of the value of your investment.
Annuity	A retirement product that provides you with a regular income, typically for the rest of your life.
Asset/Assets	Investments such as shares, bonds or property.
Asset classes	Types of investment – for example, ‘shares’ are an asset class, ‘bonds’ are another.
Asset/Investment manager	A firm that manages investments for individuals, institutions and companies.
Automatic investment option	The default fund or strategy in which your savings would be invested if you do not make another investment choice and the Proposal goes ahead.
Bond/Bonds	A financial instrument issued by a government or company to borrow money for a fixed period, at an agreed interest rate.
Broker fees	A fee charged by a broker for the buying or selling of securities.
Cash deposits	Money held in a savings account or money market fund.

GLOSSARY

Cash funds/Money Market funds	A fund that invests conservatively in low-risk instruments, with the aim of protecting the value of your investment.
Corporate bonds	A bond issued by a company.
Default	When a bond issuer misses income payments or fails to repay lenders.
Diversified/Diversification	Spreading your investments across a range of different assets classes, regions or industry sectors, to help reduce the impact of changes in the market on your investment value.
Emerging markets	Typically, the markets of less developed countries, with relatively low per capita income, often with above-average economic growth potential but involving greater volatility and higher risks than established markets.
Equity/Equities (Shares)	A financial instrument that gives you a share in a company. The price goes up or down based on how well the company is currently doing, or what its prospects are.
Fixed income/Fixed interest	Bonds - investments that provide a defined amount of income/interest.
Fluctuations/Market fluctuations	Changes in asset prices, both up and down.

Fund/Funds	An investment vehicle in which your money is pooled with that of other investors to buy shares, bonds or other assets.
Gilt/Gilt-edged security	A bond issued by the UK government.
Government bond(s)	A bond issued by a government.
Growth	The profit on an investment, also known as 'return'.
Horizon/Time horizon/ Investment horizon	How long you want to be invested before you take your money.
Income	The return on an investment that comes from dividends from shares or interest payments from bonds and bank deposits.
Inflation	A measurement of how fast the cost of living is rising.
Investing by Age	A strategy that invests your savings in a broad range of assets designed to be suitable for your age. Aims to help you grow your savings when you are younger, and reduce the risk to your savings as you get older.

GLOSSARY

Investment Guarantee	<p>A promise that when a Scheme Policy pays out benefits at a time and in circumstances described in the policy, the Equitable will pay a minimum amount and that amount is based on the amount that the Scheme Policyholder has paid in premiums.</p> <p>This amount takes account of any guaranteed bonuses which have been allotted by the Equitable.</p> <p>Investment Guarantees do not include benefits which are payable only on the occurrence of specified life events (such as death, or being diagnosed with a particular medical condition, or undergoing specified hospital surgery).</p> <p>Investment Guarantees do not include GARs or GMPs.</p>
Investment objectives	What the fund seeks to achieve.
Levies	Money paid to organisations such as regulators.
Liquidity	A measure of how easily and quickly an investment can be bought or sold.
Market/Markets/ Stock Market	The market in which shares are bought and sold.
Maturity/Matures	The repayment date of a bond, or the end of the term of a policy.
Money Market/Cash funds	A fund that invests conservatively in low-risk instruments, with the aim of protecting the value of your investment.
Multi-Asset fund	A fund that invests in a mix of different asset classes, such as shares, bonds, property and cash.

Overseas equities	Equities/shares traded outside of the UK.
Portfolio	A collection of investments, such as the shares held by a fund, or the funds held by an individual investor.
Premiums/Contributions	Money paid into your policy.
Proposal	If the Proposal goes ahead, your with-profits investment value will be increased with an immediate one-off uplift, your investment guarantee will be removed, your with-profits investments will be converted to unit-linked and transferred to Utmost Life and Pensions.
Return/Returns	Profit you make on an investment, also known as growth.
Secure cash investment	A temporary cash fund in which the unit price is guaranteed not to decrease from the price at the initial investment date, although its value is unlikely to keep pace with inflation.
Securities	Shares or bonds.
Shares/Equities	A financial instrument that gives you a share in a company.
Stamp duty	A tax payable on purchases of shares.
Switch/Switching	Selling your holding of one fund to buy units of another fund managed by the same firm.

Transaction charges	Costs related to the buying and selling of underlying investments.
Underlying funds/ Underlying investments	The J.P. Morgan Asset Management and Aberdeen Standard Investments funds in which your Utmost fund invests.
Unit price	The total value of the fund divided by the number of units held in the fund.
Unit-Linked	An investment vehicle in which your money is pooled with that of other investors to buy shares, bonds or other assets. When you invest, you buy units in the fund. The value of the units will rise or fall depending on the performance of the investments held by the fund.
Volatile/volatility	Fluctuations in the value of an investment.
With-Profits	A type of fund that gives you a share of the profits and losses of the business as well as the investment returns in the form of bonuses. A technique called 'smoothing' is used to reduce fluctuations in the size of bonuses, and the fund may have an investment guarantee that specifies the minimum amount payable on retirement, death or at policy maturity.
With-Profits Switching Rights	The right to invest in the With-Profits Fund by making a premium payment or a switch of investments into the With-Profits Fund.

Calls may be recorded for training or monitoring purposes.

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Utmost Life and Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 775704.

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