



# GUIDANCE ON YOUR FUND CHOICES

---

LONDON BOROUGH OF HAMMERSMITH AND  
FULHAM AVC SCHEME



# CONTENTS

---

PAGE 3  
INTRODUCTION

YOUR INVESTMENT CHOICES

PAGE 4  
WHAT IS A LIFESTYLE STRATEGY?  
THE LBHF DEFAULT (THE DEFAULT)

PAGE 7  
LIFESTYLE STRATEGY AND YOUR  
SELECTED RETIREMENT AGE

PAGE 8  
CORE RANGE OF FUNDS

PAGE 10  
THE RISKS OF INVESTING  
CHARGES AND OTHER INVESTMENT INFORMATION

PAGE 11  
HOW TO FIND OUT MORE

# INTRODUCTION

THIS GUIDE PROVIDES INFORMATION ON THE FUND CHOICES AVAILABLE TO YOU.

Once you are a member of the plan, you can log in and see how and where your payments are invested at any time.

Not everyone wants to be actively involved with picking investments and keeping a close eye on what's happening in the market. You can choose from a number of options, depending on how much involvement you want and they are described in more detail in the following pages. The diagram opposite reflects the different levels of day to day involvement, less at the top through to more hands-on at the bottom. If you're not comfortable with making investment decisions you should speak to a financial adviser. You will normally be charged for any financial advice you receive.

## YOUR INVESTMENT CHOICES

Your payments will automatically be invested in The LBHF Default. For more information, please see The LBHF Default (the default) section.

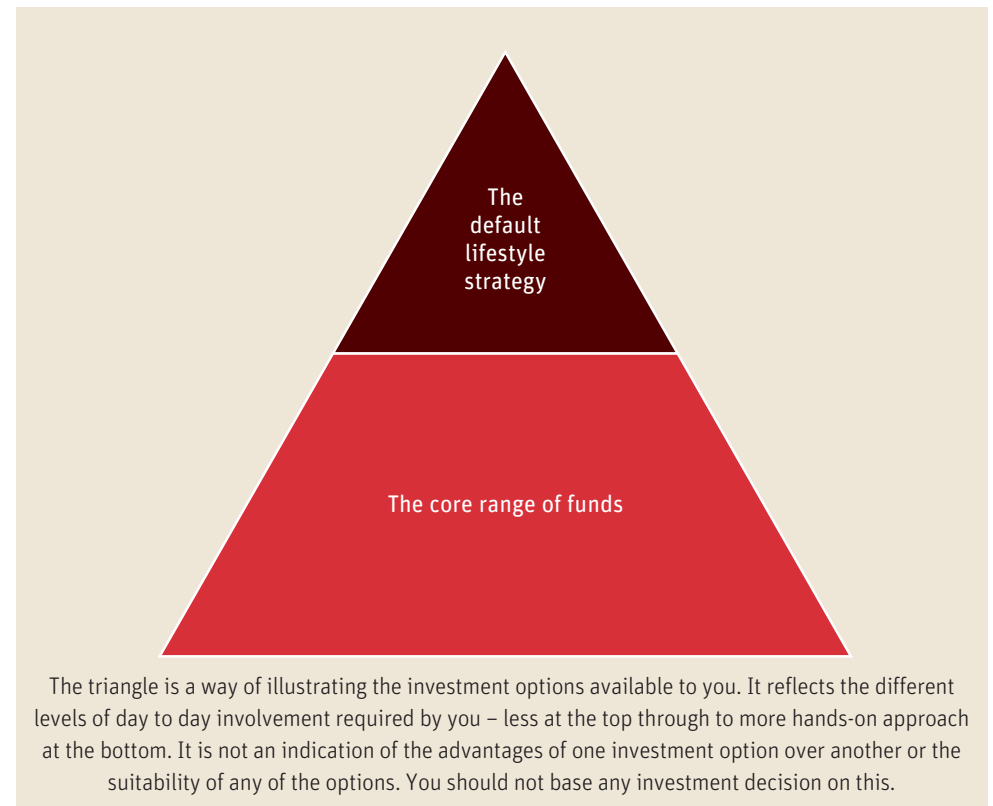
Once you are a member you can choose from the following investment options:

- do nothing and stay in The LBHF Default
- the core range of funds

You can also choose a combination of the above options.

Depending on the investments you choose, the charges, levels of risk and potential investment performance may differ.

The value of your plan is not guaranteed and it can go down as well as up. It could fall below the amount(s) paid in.



## WHAT IS A LIFESTYLE STRATEGY?

A lifestyle strategy will automatically adjust and move your retirement savings into different assets based on your selected retirement date. In the earlier years, more of your retirement savings is invested into higher risk investments designed for growth. As you get closer to your stated retirement age, the lifestyle strategy will gradually move your retirement savings into lower risk assets. Although this reduces the growth potential of your plan, it also aims to protect its value as you get closer to retirement.

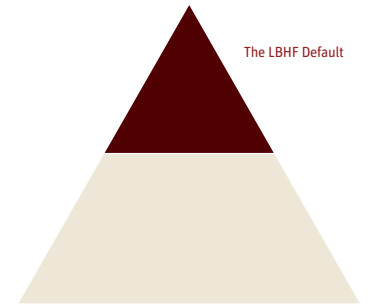
You can change your investments, helping you to ensure that your choices continue to meet your needs if your circumstances change.

You can move your money in or out of a lifestyle strategy at any time. There are currently no fees for doing this.

## THE LBHF DEFAULT (THE DEFAULT)

The LBHF Default contains the following funds:

- SW Equity Managed CSW
- SW Long Dated Gilt CSW



The table shows the objective for the funds that make up The LBHF Default.

Fund name	Objectives	Total Annual Fund Charge
SW Equity Managed CSW	The fund will invest in a broad spread of companies and major markets across the world including Emerging Markets, which in the managers' views hold good growth potential. It may also include fixed interest stocks, cash and property.	0.941%
SW Long Dated Gilt CSW	The fund invests 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 Actuaries UK Conventional Gilts over 15 Years Index.	0.730%

For more details on the fund charges, please refer to the **Charges and other investment information** section of this guide. There is also a fund fact sheet for each individual fund available in the **Your Investment Choices** page of your scheme infosite.

The graph shows how your investment will gradually and automatically move into lower risk funds as you approach your selected retirement age.

### The LBHF Default





## OBJECTIVE

The LBHF Default Lifestyle Strategy seeks to achieve high levels of capital growth over the long-term with high risk by investing in shares. It also moves investors gradually as they approach retirement into assets with lower growth and risk, such as bonds and money market assets. It is aimed at investors who expect to purchase a fixed annuity and take cash at retirement.

## LIFESTYLE STRATEGY AND YOUR SELECTED RETIREMENT AGE

If you have invested in a lifestyle strategy, it will end when you reach your selected retirement age. You can change your selected retirement age on the secure member portal, this will automatically alter your lifestyle strategy. If your selected retirement date is changed this could mean that you may move into higher risk funds.

If you reach your selected retirement age and have not chosen to change this or to take your benefits we will move your selected retirement age to your 75th birthday. Your pension savings will remain invested in the same selection of funds it was invested in at your selected retirement age and will not change. Please bear in mind these will be lower risk funds with lower growth potential and their value may not keep up with inflation. Where you were invested in a lifestyle strategy we will move you out of the lifestyle, and you will remain in the underlying assets in the same portions as before, and these funds are not designed for long-term investment.



Ensure your selected retirement age is up to date.

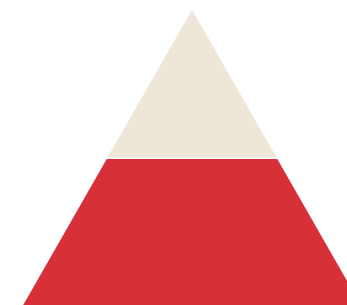


## THE CORE RANGE OF FUNDS

Scottish Widows has made the core fund range available to you in conjunction with the trustees you decide to invest in our investment funds instead of using a lifestyle strategy you will be responsible for choosing funds that meet your attitude to risk. These do not have any lifestyle built in – the mix of investments does not change as you approach your selected retirement age. Therefore, it is important if you select from the core fund range, you regularly review your investment choice, which you can do on the secure portal. If you're not confident about making the right moves at the right time, you may want a financial adviser to help you.

You should regularly review your choice to decide whether it's still right for you. You'll be responsible for deciding when and where to invest and if/when to switch.

The table contains the names of these funds and the objective that applies to each of them. The [Introduction to investing guide](#) describes the different asset classes in more detail. It is designed to help you understand the relationship between risk and reward.



Fund name	Objectives	Total Annual Fund Charge
SW CT American 2CSW	The Fund aims to achieve capital growth over the long term. It looks to outperform the S&P 500 Index over rolling 3-year periods, after the deduction of charges.	1.005%
SW CT Asia CSW	The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI AC Asia Pacific ex Japan Index over rolling 3-year periods, after the deduction of charges.	0.993%
SW CT European 2CSW	The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE World Europe ex UK Index over rolling 3-year periods, after the deduction of charges.	0.941%
SW CT Japan CSW	The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI Japan Index over rolling 3-year periods, after the deduction of charges.	0.983%
SW CT Global Select 1CSW	The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.	0.926%
SW Equity Managed CSW	The fund will invest in a broad spread of companies and major markets across the world including Emerging Markets, which in the managers' views hold good growth potential. It may also include fixed interest stocks, cash and property.	0.941%
SW Long Dated Gilt CSW	The fund invests 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 Actuaries UK Conventional Gilts over 15 Years Index.	0.730%
SW Managed CSW	The fund will invest in a broad spread of companies and major markets across the world including Emerging Markets, which in the managers' views hold good growth potential. It may also include fixed interest stocks, cash and property.	0.951%



Fund name	Objectives	Total Annual Fund Charge
SW Property CSW	The fund invests in a spread of business properties, mainly in the UK, but also overseas, generally let on long term leases to good quality tenants with regular rent reviews; some properties are acquired with the intention of carrying out development. This investment aim is intended to combine the prospects of good capital growth with a secure and rising rental income.	0.988%
SW UK Equity CSW	A broad spread of UK equities are held, ranging from relatively secure, blue chip and high yielding stocks to more adventurous small companies.	0.881%
SW UK Preference & Fixed Interest CSW	This fund aims to achieve a balance between investment returns and capital security. The core investment holding will predominantly be in British Government securities. Other Sterling fixed interest securities, including preference shares and index linked bonds, may also be held.	1.040%

For more details on the fund charges, please refer to the **Charges and other investment information** section of this guide. There is also a fund fact sheet for each individual fund available in the **Your Investment Choices** page of your scheme infosite.

Please remember, depending on the investments you choose, the charges, levels of risk and potential investment performance may differ.

## THE RISKS OF INVESTING

It's very important to understand the risks associated with investing, and also how you feel about risk before you decide where to invest your payments. Depending on the investments you choose, the levels of risk and potential investment performance differ.

Generally, the greater the potential reward from an investment the greater the risk that its value could fall.

So choosing to invest your pension plan in assets with potentially higher returns, for example buying shares through the stockmarket, could reward you with a high return but you could also lose a large part, or even all, of your investment.

Choosing to invest your pension plan in assets which have a very low risk tends to give very low returns. If your plan grows less than the rate of inflation, this could reduce the purchasing power of your retirement income in the future.

The actions and decisions of the underlying fund management are the responsibility of the fund managers or fund management companies. However, Scottish Widows does monitor the fund managers offered through its fund governance process. The value of your plan can go down as well as up and could fall below the amount(s) paid in.

The **Introduction to investing** guide describes the different asset classes in more detail. It is designed to help you understand the relationship between risk and reward.

## CHARGES AND OTHER INVESTMENT INFORMATION

Fund charges and expenses are not fixed and can change. The total annual fund charge is made up of Fund Based Charges and Fund Manager Charges, which comprises of Annual Management Charges and Fund Expenses. Annual Management Charges are taken by the fund manager to cover the cost of investment management and administration. Fund Expenses are additional expenses incurred in the day to day management of the funds' activities. There is a fund fact sheet for each individual fund available on your infosite.

The underlying funds included in your lifestyle strategy, may change in the future. The design of the lifestyle strategy may also change.

Decisions about future changes to funds and the lifestyle strategy will be made by the trustees. If in the future there are any significant changes to any of the funds, such as a change in the name, level of investment risk, objective or increase in the cost, you will be advised of what the changes are as soon as possible.

There is also a risk that a fund manager or company responsible for the funds your payments are invested in become unable to meet their financial obligations. In the unlikely situation this occurs you would not be covered by the Financial Services Compensation Scheme (FSCS). In this event, Scottish Widows would make a claim against the fund manager or company in an attempt to recover the money. However, you could still lose some or all of your retirement savings.

If you decide to switch your investments, this involves selling holdings in your current fund(s) and buying units in the fund(s) you have chosen to switch into. This will incur costs such as taxes and custodian costs, that we refer to as transaction costs. Transaction costs are not included in the TAFC.

## HOW TO FIND OUT MORE

If you'd like to know more about the investment choices available to you, please contact **your Pensions Manager**.

If you're unsure about making an investment decision, please speak to a financial adviser. For details on how to find a financial adviser near you, go to [unbiased.co.uk](https://unbiased.co.uk) or [vouchedfor.co.uk](https://vouchedfor.co.uk). You will normally have to pay for any financial advice you receive.



PLEASE LET US KNOW IF YOU WOULD LIKE A COPY OF THIS IN LARGE PRINT OR BRAILLE, OR ON AUDIOTAPE OR CD.

Scottish Widows Limited. Registered in England and Wales No. 3196171. Registered office in the United Kingdom at 25 Gresham Street, London EC2V 7HN.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 181655.

Scottish Widows Administration Services Limited. Registered in England and Wales No. 01132760. Registered office in the United Kingdom at 25 Gresham Street, London EC2V 7HN.  
Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 139398.

721055SW Aug-23

