FACTSHEET

31 May 2024

Pension Fund

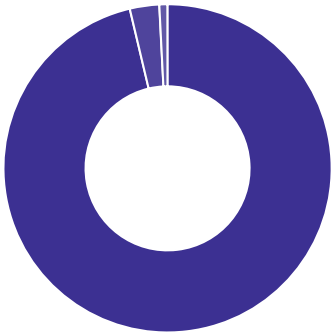
Clerical Medical UK Index-linked Gilt

Fund Aim

The Fund aims to provide income and capital growth by investing in UK government Index-Linked bonds (gilts). The benchmark index for the Fund is the FTSE Actuaries Government Securities UK Index Linked TR All Stocks (the "Index"). The Fund is actively managed. The Fund Manager aims to outperform the Index by 0.35% per annum on a rolling 3 year basis, before deduction of fees.At least 80% of the Fund will invest in UK government Index-Linked bonds. It may also invest in other types of index-linked securities, including bonds from other governments and investment grade corporate bonds. Investment in the asset classes will be direct and indirect using derivatives to seek to meet the Fund's aim. The use of derivatives depends on market conditions and is limited as the intention is this should not change the Fund's risk profile. In addition the Fund may invest in other funds, cash and cash like investments. Derivatives and stock lending may be used in a way that is designed to reduce risk, or cost and/or generate extra income or growth (often referred to as efficient portfolio management).

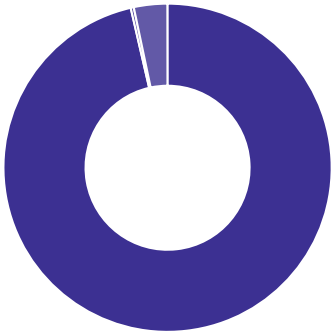
'FI and MA Fund Changes'

Asset Allocation (as at 28/03/2024)



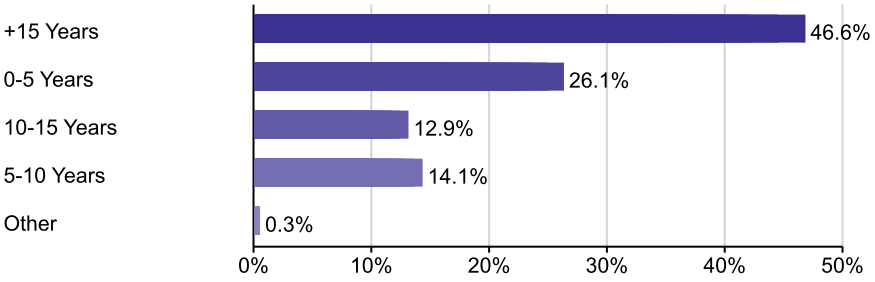
UK Index-Linked Gilts	96.4%
Futures	2.9%
Money Market	0.8%

Credit Rating Breakdown (as at 28/03/2024)



AA	96.4%
A	0.3%
Not rated	3.3%

Maturity Breakdown (as at 28/03/2024)



The composition of asset mix and asset allocation may change at any time and exclude cash unless otherwise stated

This document is provided for the purpose of information only. This factsheet is intended for individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used. This material should not be relied upon as sufficient information to support an investment decision. The portfolio data on this factsheet is updated on a quarterly basis.

Information Statement

The fund invests via the Scottish Widows Unit Trust Managers Limited (SWUTM) UK Index Linked Gilt OEIC Fund. A shortened version of the OEIC Fund aim is detailed under the heading Fund Aim. The Fund Manager is limited in the extent to which positions can vary to those of the Index: to help provide a balance between the spread of assets within the Fund and risk management; to provide a balance between the amount the Fund can vary from the Index and provide flexibility to seek to outperform the Index. Fund performance may differ from the Index. Please note: the Scottish Widows unit- linked funds aim to provide long-term growth in the price of units. Any income generated will not be distributed, but added to the fund value. In 2020 we increased the range of investment options for this Fund and added more detail to explain how it's invested. Please see our FI and MA Fund Changes web page for more information.

Basic Fund Information

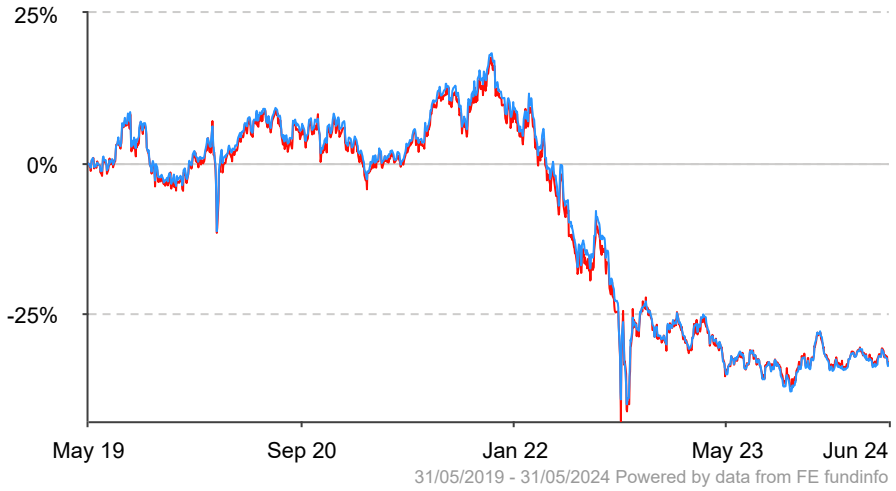
Fund Launch Date	23/11/1987
Fund Size	£22.2m
Sector	ABI UK Index - Linked Gilts
ISIN	GB0002040516
MEX ID	CMIIL
SEDOL	0204051
Manager Name	Julien Houdain
Manager Since	01/07/2023

Top Ten Holdings

(as at 28/03/2024)

TREASURY IL REGS .75% 22 NOV 2033	6.0%
TREASURY IL REGS .125% 22 MAR 2029	5.9%
TSY 1 1/4% 2055 I/L GILT SR REGS 1.25% 22 NOV 2055	5.1%
TREASURY IL REGS .5% 22 MAR 2050	4.8%
TREASURY IL REGS .625% 22 MAR 2040	4.8%
TSY 1 1/8% 2037 I/L GILT SR REGS 1.125% 22 NOV 2037	4.5%
TSY 2 1/2% 2024I/L STOCK SR REGS 2.5% 17 JUL 2024	4.5%
TREASURY IL REGS .125% 10 AUG 2028	4.3%
TSY 2% 2035 I/L STOCK SR REGS 2% 26 JAN 2035	3.9%
TREASURY IL REGS 1.25% 22 NOV 2032	3.7%
TOTAL	**47.5%**

Past Performance



Clerical Medical UK Index-linked Gilt Pension

ABI UK Index - Linked Gilts

Past performance is not a guide to future performance. Investment value and income from it may fall as well as rise, as a result of market and currency movements. You may not get back the amount originally invested.

Discrete Performance

	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021	31/03/2019 - 31/03/2020
Clerical Medical UK Index-linked Gilt	-7.0%	-26.7%	1.7%	-1.5%	3.5%
ABI UK Index - Linked Gilts	-7.1%	-28.0%	3.2%	-1.1%	4.2%

Information is shown as unavailable if prior to the launch of fund.

Cumulative Performance

	30/04/2024 - 31/05/2024	29/02/2024 - 31/05/2024	31/05/2023 - 31/05/2024	31/05/2021 - 31/05/2024	31/05/2019 - 31/05/2024
Clerical Medical UK Index-linked Gilt	-0.3%	0.2%	1.0%	-34.3%	-33.1%
ABI UK Index - Linked Gilts	0.1%	0.4%	1.0%	-35.2%	-33.2%
Quartile	2	3	3	2	3

Source: FE fundinfo as at 31/05/2024

Performance figures are in £ Sterling on a single pricing basis, with income (where applicable) reinvested net of UK tax and net of total annual fund charges. These figures do not include any initial charge or other product charge(s) that may be applicable.

Fund Rating Information

Overall Morningstar Rating	-
Morningstar Medalist Rating	-
FE fundinfo Crown Rating	

The FE fundinfo Crown Rating relates to this fund. However, the Morningstar ratings are based on the underlying fund. These are supplied by the respective independent ratings agencies and are the latest available at the time this factsheet was issued. Past performance is not a reliable indicator of future results.

Other Information

The views, opinions and forecasts expressed in this document are those of the fund manager. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statement of fact, nor should reliance be placed on these views when making investment decisions.

For further information contact your local sales office or phone Customer Services on 0345 030 6243 (Life and Pensions) 0345 300 2244 (OEIC). Details are also available at www.clericalmedical.co.uk

Not all products have access to this fund, please refer to the relevant product literature. Full terms and conditions are available on request from us using the contact details provided. Charges, terms and the selection of funds we make available may change. Information on the general and specific risks associated with investing in this fund is available in the relevant fund guide, or KIID where applicable. All information is sourced from Scottish Widows or the relevant fund management group unless otherwise stated.

Quarterly Fund Manager Review

The first quarter of 2024 saw a significant shift in the landscape of inflation and interest rate expectations. Initially, the market anticipated faster central bank action to lower interest rates. However, expectations were scaled back, with notable exceptions including the Bank of Japan (BoJ), which increased interest rates from -0.1% to 0.1% for the first time in 17 years, signalling an end to negative rates. Meanwhile, the Swiss National Bank surprised the markets with a 25 basis point cut to 1.5%. The European Central Bank, the Bank of England, and the Federal Reserve (Fed) all proceeded with caution, avoiding premature declarations of victory over inflation. Global economic activity was on the upswing. The US economy continued to outperform, buoyed by sustained consumer spending, thanks to rising real wages amidst easing inflation. Although the eurozone's progress was slower, there was reason for optimism with a rebound in the service sector and manufacturing showing signs of revival. China's recovery also continued, although the property sector continued to struggle. Inflation remained a central concern for markets. Despite indications of diminishing inflationary pressures, unexpected high inflation readings tempered enthusiasm for imminent rate cuts. Both the US and eurozone reported inflation rates exceeding forecasts, raising alarms about the enduring nature of service sector inflation. As the quarter progressed, governmental bond yields adjusted in response to shifting market sentiments and economic indicators. 10-year government bond yields increased across the board (meaning prices fell). The US 10-year Treasury jumped from 3.87% at the end of Q4 2023 to 4.21% at the end of Q1 2024. The UK 10-year gilt yield rose from 3.54% to 3.94%, while the German 10-year Bund yield steadied at 2.03% - a 26 basis point increase from the end of Q4. Corporate bonds surpassed government bonds in performance with UK high yield as a notable outperformer.

Julien Houdain 31/03/2024

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