

29 February 2024

## Pension Fund

# Scottish Widows Pension Portfolio Four Pension (Series 2)

### Fund Aim

The Fund aims to deliver long-term growth by investing in other funds. The Fund invests with an emphasis on fixed interest securities, with the remainder in equities including a small proportion in listed property securities, by investing predominately in passive\* index tracking funds. A small proportion may be actively managed. The fixed interest securities can be in sterling or other currencies, including emerging markets, and may be issued by governments or companies. The equity investments cover a mix of geographic regions and can include the UK, other developed markets and emerging markets. The property securities can be in the UK and overseas. The Fund may also invest a small proportion in cash. Non-sterling investment may be hedged back to sterling. Hedging aims to reduce the effect of fluctuations in the exchange rates between the currency of the asset and the currency of the Fund. This Fund will be reviewed periodically by Scottish Widows. In future the Fund could be invested in different funds and additional asset types, though the Fund will continue to invest with an emphasis on fixed interest securities.

\*Passive management is where the fund manager aims to match a benchmark index and will buy, sell or hold investments depending on the components of that index. Active management is where the fund manager seeks to add value by making decisions on which investments to buy, sell or hold depending on, for example company, market or economic factors.

'ESG Metrics'

### Asset Allocation (as at 31/12/2023)



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

A portion of the equities allocation is invested in a climate transition fund to take account of environmental, social and governance (ESG) considerations. The allocation also includes Real Estate Investment Trusts to gain exposure to property. Funds with an allocation to global fixed interest now benefit from diversification through a small allocation to Emerging Market Government Debt. Scottish Widows produce Environmental, Social and Governance themed fund metrics. Selected data can be found using the ESG metric link.

Due to the update scheduling of the CPI benchmark, Monthly Factsheets will illustrate the latest CPI Performance as at the point of production (i.e. with a one month lag). Quarter End Factsheets however will be synchronised with the latest quarter end CPI Performance.

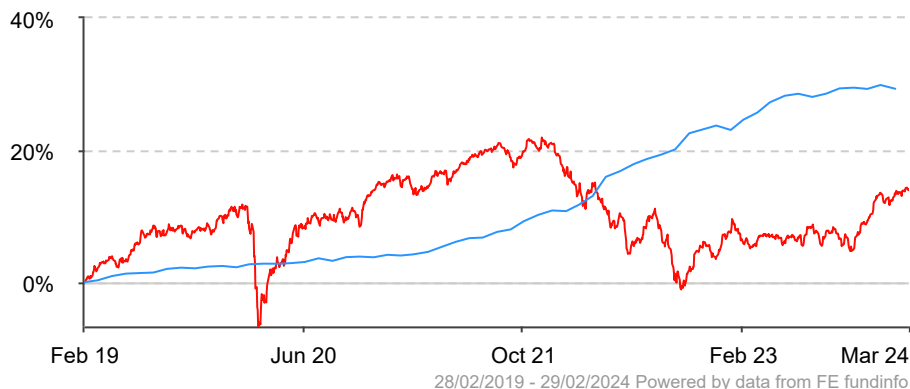
### Basic Fund Information

Series 2 Unit Launch Date	06/02/2006
Fund Size	£12,649.5m
Benchmark	UK Consumer Price Index + 1%
ISIN	GB00B09CCX34
MEX ID	SWLFE2
SEDOL	B09CCX3
Manager Name	Philip Chandler
Manager Since	07/02/2020

### Top Ten Holdings

(as at 31/12/2023)	
ABRDN GBL CP BOND SCD TK-B ACC NPV	26.6%
SCOTTISH WIDOWS ESG UK CORPORATE BOND TRACKER FUND	20.0%
BLACKROCK ACS US EQTY TKR	12.1%
BLACKROCK ACS CLIMATE TRANSITION WORLD EQUITY FUND	7.1%
ISHARES U.K. GILTS 0-5YR UCITS	5.4%
SSGA AUT EUROPE EX UK EQTY TKR	4.3%
BLACKROCK ACS UK EQUITY TKR	4.1%
BLACKROCK GLOBAL CORPORATE BOND ESG INSIGHTS	3.2%
ISHARES ENVIR. & LOW CARBON TILT REAL ESTATE IND. FUND (UK) X ACC	3.1%
SCHRODERS £ LIQUIDITY FUND	2.2%
<b>TOTAL</b>	<b>88.1%</b>

## Past Performance



- Pension Portfolio Four Pension
- UK Consumer Price Index + 1%

The Performance of the Pension Portfolio Fund Four is shown relative to the UK Consumer Prices Index plus 1%. CPI is a standard measure of price inflation in the UK. This aims to help customers see how their pension pot is performing compared to changes in the cost of living over time. 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

	31/12/2022 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2020 - 31/12/2021	31/12/2019 - 31/12/2020	31/12/2018 - 31/12/2019
Scottish Widows Pension Portfolio Four Pension (Series 2)	9.4%	-14.1%	5.0%	5.2%	13.0%
UK Consumer Price Index + 1%	5.0%	11.6%	6.5%	1.7%	2.3%

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

## Cumulative Performance

	31/01/2024 - 29/02/2024	30/11/2023 - 29/02/2024	28/02/2023 - 29/02/2024	28/02/2021 - 29/02/2024	28/02/2019 - 29/02/2024
Scottish Widows Pension Portfolio Four Pension (Series 2)	0.4%	4.2%	7.6%	0.6%	13.9%
UK Consumer Price Index + 1%	0.0%	0.0%	3.8%	24.1%	29.3%

Source: FE fundinfo as at 29/02/2024

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.

## Quarterly Fund Manager Review

It was a strong quarter for global shares as the US Federal Reserve signalled that interest rate cuts may be on the way for 2024. Developed markets outperformed emerging markets amid ongoing worries over China's real estate sector. Crude oil prices fell despite some output cuts. US shares registered strong gains in the final quarter of the year, buoyed by expectations that interest rate cuts may be approaching. The S&P 500 index ended the year just short of its record high set in early 2022. The final quarter of the year was also a strong one for eurozone shares, boosted by expectations that there may be no further interest rate rises. UK equities also rose over the quarter. UK small and mid-cap indices outperformed the broader market as domestically focused stocks performed very strongly. Despite some weakness in October and December, Japanese shares ended the quarter in positive territory. Asia ex Japan equities gained in the fourth quarter. Hopes that US interest rates may have peaked led to renewed investor appetite for risk assets across the region. All markets in the MSCI AC Asia ex Japan index ended the quarter in positive territory apart from China, where shares fell due to investor concerns over weaker economic growth. The final quarter of the year was a very positive one for fixed income markets, marking their best quarterly performance in more than two decades, according to the Bloomberg Global Aggregate indices. Government bond yields fell sharply, and credit markets rallied, outperforming government bonds. The US 10-year Treasury yield fell from 4.57% at the end of Q3 to 3.87% at the end of Q4. The UK 10-year gilt yield fell from 4.44% to 3.54%, while the German 10-year Bund yield ended the quarter 0.81% lower at 2.03%. Despite a slowing growth outlook, the corporate bond market staged an impressive rally on hopes that a deep recession could be averted as financial conditions eased. High yield markets outperformed investment grade in both the US and Europe, with a tightening of spreads also marking significant outperformance over government bonds.

### Philip Chandler 31/12/2023

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

## 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.

Scottish Widows  
69 Morrison Street  
Edinburgh EH3 1HL

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.