

29 February 2024

Pension Fund

Scottish Widows UK Fixed Interest Index Tracker Pension (Series 2)

Fund Aim

The fund invests via Scottish Widows Unit Trust Managers Limited (SWUTM) UK Fixed Interest Tracker OEIC Fund. The UK Fixed Interest Tracker OEIC Fund aim is: to track the performance of the UK gilt market as represented by the FTSE Actuaries UK Conventional Gilts All Stocks Index (the "Index") before deduction of fees, by investing in UK Government bonds (gilts). The Fund aims to invest in all of the stocks within the Index. This is often referred to as a 'full replication' approach. Where SWUTM believes it can provide an advantage to the Fund in managing costs, to achieve a more efficient way of tracking the Index, or where there are exceptional market circumstances, the Fund may include or exclude specific stocks and/or other security types which are representative of a stock in the Index (such as depositary receipts). The Fund may include sterling supranational bonds. These are a type of fixed interest security issued by two or more governmental organisations. In addition the Fund may invest in collective investment schemes to gain exposure to the Index. Derivatives and stock lending may be used for efficient portfolio management. The FTSE Actuaries UK Conventional Gilts All Stocks Index provides a representation of the returns of securities in the UK government bond (gilt) market. The Index measures the performance of bonds issued by the UK government.

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.

Basic Fund Information

Series 2 Unit Launch	06/04/2001
Date	
Fund Size	£86.2m
Benchmark	FTSE Actuaries UK Conventional Gilts All Stocks
ISIN	GB0030337579
MEX ID	SWAFI2
SEDOL	3033757
Manager Name	PMG FI - EMEA Index
Manager Since	07/03/2022

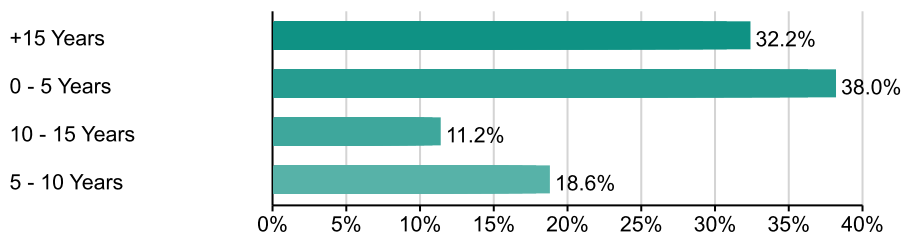
Asset Allocation (as at 31/12/2023)



Credit Rating Breakdown (as at 31/12/2023)



Maturity Breakdown (as at 31/12/2023)



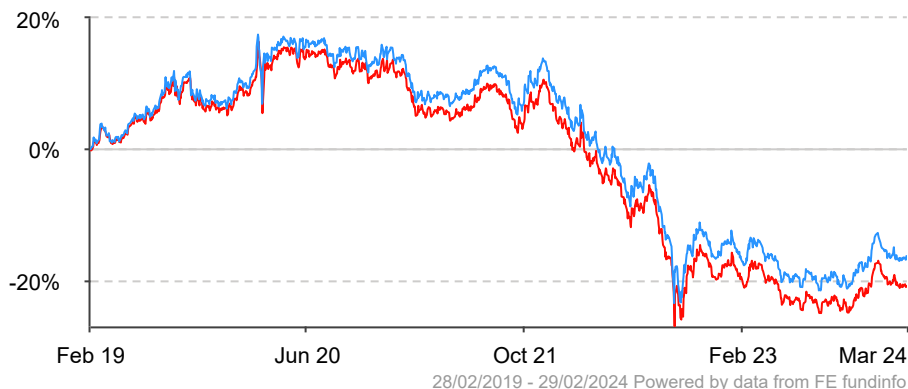
Top Ten Holdings

(as at 31/12/2023)

UK CONV GILT 4.75 07-DEC-2030 REG-S	2.9%
UK CONV GILT 0.625 07-JUN-2025 REG-S	2.8%
UK CONV GILT 1.5 22-JUL-2026 REG-S	2.7%
UK CONV GILT 4.25 07-JUN-2032 REG-S	2.7%
UK CONV GILT 4.5 07-SEP-2034 REG-S	2.5%
UK CONV GILT 5.0 07-MAR-2025 REG-S	2.4%
UK CONV GILT 2.0 07-SEP-2025 REG-S	2.3%
UK CONV GILT 1.0 22-APR-2024 REG-S	2.3%
UK CONV GILT 0.875 22-OCT-2029 REG-S	2.3%
UK CONV GILT 0.125 31-JAN-2024 REG-S	2.3%
TOTAL	25.2%

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

Past Performance



■ UK Fixed Interest Index Tracker Pension

■ FTSE Actuaries UK Conventional Gilts All Stocks

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 UK Fixed Interest Index Tracker Pension (Series 2)	3.2%	-24.8%	-5.8%	7.5%	5.2%
FTSE Actuaries UK Conventional Gilts All Stocks	3.7%	-23.8%	-5.2%	8.3%	6.9%

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 UK Fixed Interest Index Tracker Pension (Series 2)	-1.0%	0.4%	-0.4%	-24.7%	-20.9%
FTSE Actuaries UK Conventional Gilts All Stocks	-1.1%	1.9%	1.1%	-21.9%	-16.3%

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

Gilt yields fell, and so prices rose, over the quarter, as markets increasingly priced in lower interest-rate expectations. The 10-year gilt yield fell from 4.44% to 3.60%. The yield curve remained inverted, but spreads tightened between both the 10-year and two-year gilt yields, and between the 10-year and its equivalent corporate bond yield. The main driver of performance was the expectation that the US Federal Reserve (Fed) would cut interest rates significantly in 2024, which fueled a Treasury market rally. Other developed market bonds followed suit, and yields fell, as their central banks were expected to ultimately follow the Fed. In December, the Fed's comments, including that it was prepared to cut, potentially even before inflation is brought to target, appeared to justify the rally that had begun weeks earlier. UK inflation fell from 6.7% in September to 3.9% in November, which extended the rally in gilts. Economic news remained disappointing as the UK economy shrank by 0.1% in the third quarter, and there was increasing speculation that UK rates had peaked. In November, Chancellor Jeremy Hunt announced the Autumn Statement, which showed that inflation had resulted in increased tax receipts. This allowed the government to commit to some fiscal easing measures, including tax cuts and updated welfare benefits. Following these announcements, however, GDP was still forecast to rise a mere 0.7% in 2024. On the brighter side, the composite PMI for November rose back into expansionary territory, at 50.7 (a reading above 50 indicates growth). The improved inflation outlook along with weak economic data spurred hopes that the Bank of England (BoE) would go in the direction of the Fed and soon indicate a faster pace of easing. The BoE held interest rates steady over the quarter at a 15-year high of 5.25%. However, in contrast with Fed policymakers, the Monetary Policy Committee still projected 'higher-for-longer' rates, with the first cut not expected until the third quarter of 2024, and rates not falling to 4.25% until the end of 2026.

PMG FI - EMEA Index 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.

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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.