

31 December 2018

The fund is invested in the Standard Life Investments Higher Income Fund which aims to provide a significantly higher level of income than that available on gilts by investing mainly in Sterling and Euro denominated sub-investment grade corporate bonds. The fund is actively managed by our investment team who may also invest in other bonds (such as investment grade corporate bonds and government bonds) to try to take advantage of the opportunities they have identified.

Non sterling denominated assets held in the fund will generally be hedged back to sterling.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in. The fund may use derivatives for the purposes of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate. The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Pension Investment Fund

Bond Fund

Quarterly

Fund Manager	Fraser Duff	Volatility Rating	3
Fund Manager Start	31 May 2016		
Launch Date	3 Aug 2006		
Current Fund Size	£37.0m		
Fund Code	2E		
Duration	2.9 years		

This document is intended for use by individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used.

Please note that the breakdowns below do not take into account the economic exposure created by derivative positions. The credit ratings shown below are the average of those from S&P, Moody's and Fitch.

Fund Information *

Composition by Sector

	Fund %		Fund %
TMT	25.3	Industrials - General & Manufacturing	4.7
Industrials - Basic Materials & Healthcare	10.8	Food & Beverages	4.6
Financial	10.1	Industrials - Energy	3.5
Services	8.2	Transport, Logistics & Travel	3.5
Not Classified	7.5	Industrials - Buildings Materials & Products	1.0
Packaging & Paper	7.3	Sovereign	0.2
Industrials - Auto Related	7.0	Gaming	0.1
Consumer & Retail	6.2		

Top Ten Issuers

Issuer	Fund %
Unitymedia	4.1
Teva Pharmaceutical	4.0
Telecom Italia	2.8
Virgin Media	2.6
Tesco	2.6
MPT Operating Partnership	2.4
Schaeffler	2.3
BHP Billiton	2.0
VIP-CKH Luxembourg	1.9
Valeant Pharmaceuticals	1.6
Assets in top ten issuers	26.3

Composition by Credit Rating

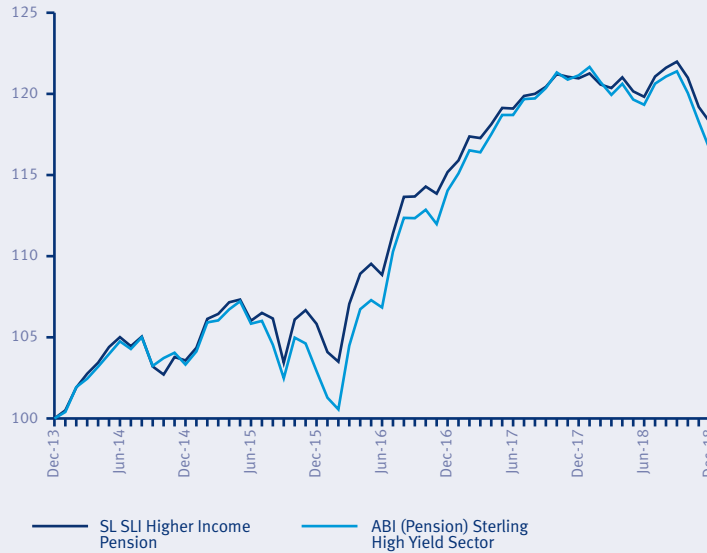
Rating	Fund %	Rating	Fund %
A	1.5	B	26.1
BBB	6.2	CCC	3.8
BB	54.2	N/R	8.2

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	Year to 31/12/2018 (%)	Year to 31/12/2017 (%)	Year to 31/12/2016 (%)	Year to 31/12/2015 (%)	Year to 31/12/2014 (%)
SL SLI Higher Income Pension	-2.2	5.0	8.8	2.2	3.6
ABI (Pension) Sterling High Yield Sector	-3.8	6.2	10.8	-0.4	3.3

Price Indexed



Figures quoted are calculated over the stated period on a bid to bid basis with gross income reinvested and are based on units which contain an Annual Management Charge (AMC) of 1.30% and Additional Expenses of 0.10%, i.e. a Total Fund Charge of 1.40%. For the relevant charges on your policy, including any rebates or discounts that may apply, please refer to your policy documentation.

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	Q4 (%)	1 Year (%)	3 Years (%)	5 Years (%)
SL SLI Higher Income Pension	-3.0	-2.2	11.8	18.3
ABI (Pension) Sterling High Yield Sector	-4.0	-3.8	13.3	16.6

Note: The information shown relates to the past. Past performance is not a guide to the future. The value of your investment can go down as well as up. For the relevant charges on your policy please refer to your policy documentation.

Definitions

Volatility Rating - The volatility rating of a fund indicates how much the fund price might move compared to other funds. The higher the volatility rating, the less stable the fund price is likely to be. You can use this to help you decide how much risk you're comfortable taking with your investments.

Duration - gives an indication of a bond's sensitivity to a change in interest rates. It is based on a snapshot of the portfolio on specified date. It does not include any impact from charges.

Not Classified (N/C) may include bonds which do not fall into the specified categories and 'Cash and Other'.

Not Rated (N/R) may include bonds which do not have a rating under iBoxx classification (such bonds may still be rated by S&P and/or Moody's) and 'Cash and Other'.

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.

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