

What is MyFolio?

MyFolio is a flexible, all-encompassing solution that provides you with an investment based on your attitude to risk and preferred style. To achieve this, we have carefully constructed a family of 25 portfolios. You simply decide which of the five risk profiles and five investment styles suits you, and then select the appropriate MyFolio fund.

Five risk levels

You can choose from five risk levels, moving from lower risk to higher risk.

Risk level I – designed for conservative investors who prefer to take a small amount of risk to achieve relatively stable returns.

Risk level II – designed for relatively cautious investors who want to achieve a reasonable return and are prepared to accept risk in doing so.

Risk level III – designed for investors with a balanced approach to risk who are prepared to accept fluctuations in the value of their investments to achieve better long-term returns.

Risk level IV – designed for investors who are relatively comfortable with risk in order to aim for higher long-term returns and understand this can mean some periods of poor performance.

Risk level V – designed for investors who are very comfortable with risk in order to aim for high long-term investment returns.

Five investment styles

You can choose from five investment styles, providing both flexibility and choice.

Market funds – there are five Market funds, one for each risk level. Each fund invests mostly in tracker funds that aim to replicate the performance of an index such as the FTSE All-Share Index or the S&P 500 Index.

Managed funds – the five Managed funds offer a competitively priced option as they invest mainly in funds managed by Standard Life Investments. We have considerable experience investing across the major asset classes such as equities, property and bonds.

Managed Income funds – the Managed Income funds offer a further dimension of choice as they aim to provide you with a source of income. These five funds invest mainly in income-focused funds managed by Standard Life Investments.

Multi-Manager funds – the five Multi-Manager portfolios invest in carefully selected funds from some of the leading investment managers in the market. We carry out in-depth research to identify funds we believe to be among the best in the industry.

Multi-Manager Income funds – you can also choose to invest in a further five funds that have a bias towards generating income. These funds invest in carefully selected, income-focused funds from leading providers in the market.

MyFolio

An illustration of
risk and reward

Past performance is not a guide to future performance.

All investments carry some degree of risk - but it is risk with the aim of growing the value of your money. The value of investments can fall as well as rise and may be worth less than you originally invested.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy.

Standard Life Investments has not considered the suitability of investment against your individual needs and risk tolerance. To help you understand these funds, please read the Key Investor Information Document or Prospectus, or seek assistance from your professional adviser. If you are in any doubt as to whether a fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.

Please note that the number contained in a MyFolio fund name is not related to the synthetic risk and reward indicator contained in the Key Investor Information Document (KIID).

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Standard Life
Investments

An illustration of risk and reward

MyFolio

Balancing risk and reward

Through MyFolio, we aim to strike the right balance between the risk you are willing to take and the rewards you receive in return when investing for the long term. To show you how this could work in practice, we have created these illustrative charts. They are a projection over different periods across each risk level.

Specifically, using the MyFolio Market range as an example, the charts illustrate the range of potential annual returns we expect over 1,3,5,7, 10 and 15 years. In addition, the dot within each range represents the projected average annual return over that period and corresponds with the figure shown in the box below each chart.

What can you expect?

The charts show that the more risk you are willing to take (moving from portfolios I to V), the greater the reward you might achieve. However, there is also the possibility of greater losses. The chart for each MyFolio risk level also demonstrates the benefits of long-term investing as the expected range of returns narrows the longer you invest. Therefore, the scope for potential loss reduces over the longer term.

How did we calculate projected returns?

We based the projected returns on current market forecasts and historical investment scenarios. Our statistical simulation of returns suggests that there is a 95% probability that the actual returns could fall within the ranges shown in the charts. However, it is important to remember that these are modelled returns and not guaranteed. The actual returns you would receive might be lower or higher and past performance is not a guide to the future. The returns also do not take account of product charges, or the cost of advice, or the potential increase in returns resulting from short-term asset allocation changes or fund selection.

We created this document to help you understand your capacity for loss at different risk levels and over different time horizons.

All investments carry some degree of risk – but we take this risk with the aim of growing the value of your assets.

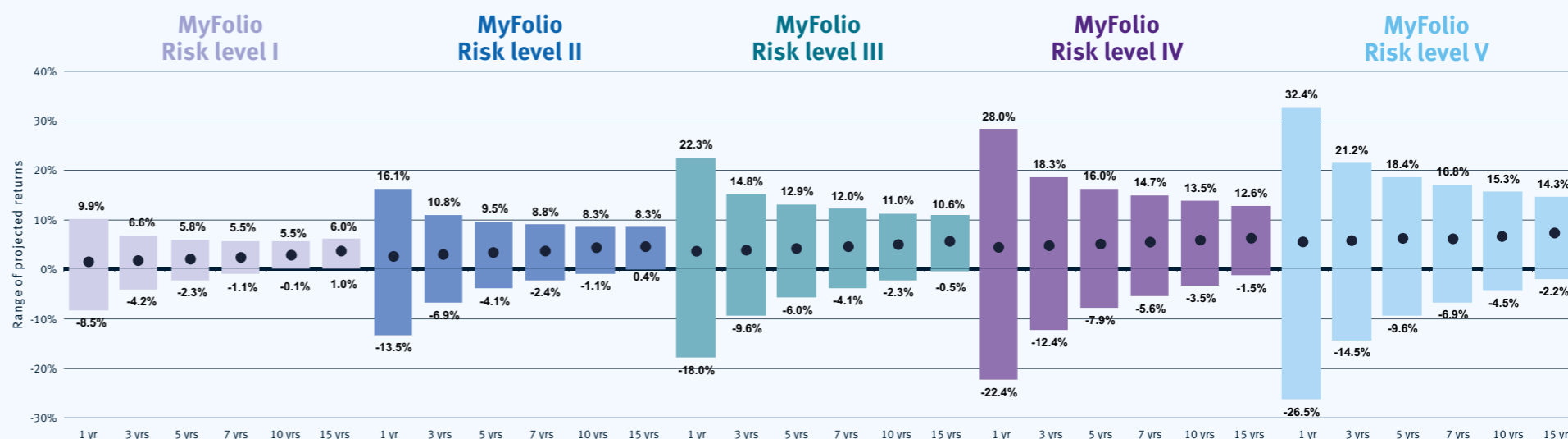
The value of all investments can fall as well as rise and may be worth less than you originally invested.

Your financial adviser will assess your attitude to risk by considering:

- ▶ your willingness to take risk
- ▶ your need to balance risk with potential returns to meet a specific objective
- ▶ your ability to accept the risk of incurring losses.

“Through MyFolio, we aim to strike the balance between the risk you are willing to take and the rewards you receive in return”

Illustrative risk levels



- Average projected annualised return per year

Source: Standard Life Investments and Moody's Analytics, as at October 2016, based on the MyFolio Market range

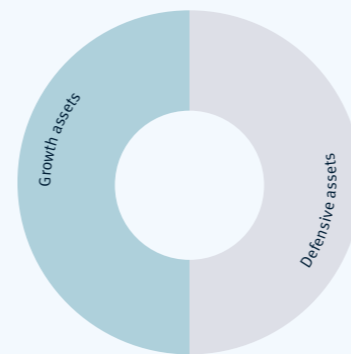
Average projected annualised return per year (%)						Average projected annualised return per year (%)						Average projected annualised return per year (%)						Average projected annualised return per year (%)						Average projected annualised return per year (%)					
1yr	3yrs	5yrs	7yrs	10yrs	15yrs	1yr	3yrs	5yrs	7yrs	10yrs	15yrs	1yr	3yrs	5yrs	7yrs	10yrs	15yrs	1yr	3yrs	5yrs	7yrs	10yrs	15yrs	1yr	3yrs	5yrs	7yrs	10yrs	15yrs
1.5	1.8	2.1	2.5	2.9	3.5	2.6	2.9	3.2	3.6	4.0	4.6	3.7	3.9	4.3	4.6	5.1	5.6	4.6	4.8	5.2	5.5	6.0	6.5	5.4	5.6	6.0	6.3	6.8	7.3

Source: Standard Life Investments and Moody's Analytics, as at October 2016, based on the MyFolio Market range

Strategic Asset Allocation Risk level I



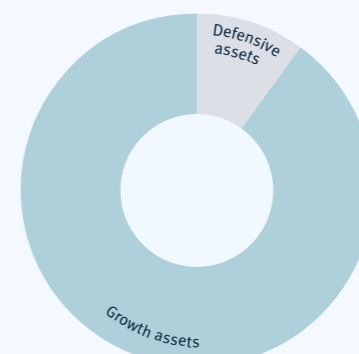
Strategic Asset Allocation Risk level II



Strategic Asset Allocation Risk level III



Strategic Asset Allocation Risk level IV



Strategic Asset Allocation Risk level V



Defensive assets are usually seen as less risky, and include funds that typically hold investments like cash and bonds. Growth assets are usually seen as more risky, and include funds that typically hold investments like shares in a company and property.

Source: Standard Life Investments, as at October 2016, based on the MyFolio Market range