

Standard Life Smoothed Return Pension Fund

Target Market and Fund Governance

This document is for use by financial advisers only.



Summary

The Standard Life Smoothed Return Pension Fund (referred to throughout this document as the Fund), is designed for customers who would benefit from smoother investment returns to, and through, retirement.

The Fund is intended to grow customers' investments whilst providing some shelter against potential volatility. Unlike traditional multi-asset investments, the Fund undergoes a smoothing process which aims to shelter the Fund from some of the day-to-day fluctuations often seen in the fund prices.

Customer suitability

The Fund may be suitable for customers in the following circumstances:

- they are looking for growth on their pension investment while reducing some of the daily ups and downs of investment performance
- they would like to take an income from their pension investment
- they would like to invest in a range of different assets
- they are willing to accept some level of risk to their investment

Customer risk profile

We would expect the core target market to:

- be able to accept a moderate fall in value
- accept that the Fund could fall in value, sometimes frequently, or significantly. For example, if there are sustained falls in the investment markets over an extended period of time
- have an attitude to risk ranging from low-medium to medium, however customers with a higher attitude to risk may also wish to invest

Customer benefits include:

- diversification through exposure to a range of asset classes and geographical regions
- a potentially smoother investment experience, leading to greater peace of mind for customers, and a reduced likelihood that they will disinvest during periods of market volatility (when it is often a relatively poor time to do so)
- for customers taking income linked to the value of the Fund, the amount received may be more consistent than that provided by an unsmoothed fund

Note: The Fund is not classed as a With Profits fund.

The Fund will not be suitable for customers if they:

- cannot take any risk with their pension investment and need a capital guarantee
- would like a guaranteed level of income
- are not prepared to leave their pension investment invested for at least five years
- are looking for equity-like returns
- need instant access when they plan to withdraw all or some of their money

Key fund information	
Fund classification	Non-complex
Distribution	Advised sale only
Key risks	<ul style="list-style-type: none">• The value of the investment may go down as well as up and the amount the customer gets back may be less than was invested• The amount of growth is not guaranteed• The level of income is not guaranteed• For money in, there will be a delay of 10 working days plus a settlement period. The unit price may go up or down during this period• For money out, there can be a delay of up to 10 working days plus a settlement period for certain transactions. The unit price may go up or down during this period
Considerations	The Fund is designed for customers who are in or near retirement and have a Fidelity pension account. The Fund may also be suitable for customers who are considering consolidating other pensions.
Entry criteria	
Minimum entry age	There is no minimum age but it is expected that customers will typically be at least 45.
Maximum entry age	There is no maximum age but it is expected that customers will typically be no older than 75.
Minimum investment	There is no minimum.
Maximum investment	There is no maximum.

Please refer to our Technical Guide (SFFIL17) for more detailed information on the Fund.

Fund oversight and governance

The information below is intended to help financial advisers with their requirement under the Insurance Distribution Directive and Consumer Duty requirements. We have robust fund governance policies, procedures and processes in place to ensure the Fund remains compliant with legislation and meets the needs of the intended customers.

1	Formalised approval process for new fund developments and changes to existing funds, including appropriate stress and scenario testing so the proposition remains compliant and appropriate for the target market in view of any changes made since initial launch.
2	Regular formal reviews to determine that the Fund is providing the identified target market with fair outcomes, as well as demonstrating fair value and meeting the needs of all customers including vulnerable customers.
3	Customer needs and risks identified, with proposed customer experience, selected distribution channel, and relevant legal and tax position considered. Relevant risks and potential conflicts are identified and appropriate mitigations are put in place.
4	Research exercises conducted to validate the target market, test customer needs (including those of vulnerable customers) and understanding of proposition.
5	Distribution strategy developed to match the target market and reviewed regularly.
6	Feedback from customers and intermediaries to confirm: <ul style="list-style-type: none">• the proposition remains appropriate for the target market• the distribution strategy remains appropriate for the target market• the proposition is meeting the needs of customers• the fund benefits remain consistent with the needs of customers• our communications remain clear
7	Regular monitoring of our pricing, charges, fees and costs associated with the Fund to ensure they remain proportionate and reflect current market conditions.

Our approach to determining fair value

Fair value is about more than price; it's an assessment of customer outcomes across multiple parts of the proposition to avoid unfair or poor value. We regularly monitor our proposition against the market and principles below and make changes where necessary to ensure customers receive fair value.

Funds and services	Some examples of what we look for: <ul style="list-style-type: none">• Does the Fund meet the target market needs?• Is the quality of the benefits provided commensurate with the charge being made?
Price and value	Some examples of what we look for: <ul style="list-style-type: none">• Is the return on investment fair?• Are the fund charges reasonable for the overall benefits provided?
Understanding	Some examples of what we look for: <ul style="list-style-type: none">• Are our communications clear and easy to understand?• Are the risks understood?
Support	Some examples of what we look for: <ul style="list-style-type: none">• Do we understand our customers?• Can we tailor our proposition to support the specific needs a customer may have?

www.standardlife.co.uk

Phoenix Life Limited, trading as Standard Life, is registered in England and Wales (1016269) at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

Phoenix Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Phoenix Life Limited uses the Standard Life brand, name and logo, under licence from Phoenix Group Management Services Limited.