

SUITABILITY REPORT

Scottish Widows Platform

For Professional Advisers only

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SCOTTISH WIDOWS PLATFORM SUITABILITY PARAGRAPHS

This document has sample ‘reasons why’ paragraphs and should be used as a guide only by intermediaries. Any paragraphs used with your clients in a suitability letter must be approved by your own compliance team.

Why a platform?

There are a range of different methods through which you can invest. Given your particular circumstances, we recommend that you invest through a platform.

A platform is a wealth management service that provides access to a choice of tax wrappers through which you can invest in a range of assets. It allows your adviser, or investment adviser where applicable, to manage your investments efficiently and effectively online, on your behalf.

In summary we recommend a platform because it:

Select any of the following points relevant to your client:

- Provides an efficient way to buy and sell a wide range of assets.
- Provides easy access to income at a time that suits you.
- Consolidates reporting with a single statement four times a year and a single annual tax voucher, thereby simplifying your tax return collation.
- Allows you to agree how you want to pay for our services.
- Offers us access to a range of independent tools to assist in managing your money.
- Has a straightforward charging structure.

- Allows us to spend more time focusing on your needs due to the increased efficiency of transactions.
- Enables various investment strategies to be operated on your behalf – including phasing investments into funds over different time periods.
- Simplifies the movement of investments into different tax wrappers, maximising tax efficiency.
- Provides you with the ability to view your assets online at any time – 24 hours a day, 365 days of the year.
- Gives you secure online access to all of your financial documents.

Why the Scottish Widows Platform?

We have undertaken an extensive due diligence exercise to select the right platform provider, which has led us to select the Scottish Widows Platform for you. The reasons for this are detailed on the following page.

ABOUT THE SCOTTISH WIDOWS PLATFORM

Select the reasons relevant to your decision to use the Scottish Widows Platform from the categories below:

- Scottish Widows Platform is provided by Embark Investment Services Limited (EISL), part of the Embark Group.
- Businesses in the Embark Group have been established in the retirement market for more than 40 years and have a long history of working closely with intermediary distribution partners and high net worth clients.
- In January 2022 Embark became part of Lloyds Banking Group, a leading UK based financial services group providing a wide range of banking and financial services.

Technology, Security and Peace of Mind

- In this digital world, keeping your money safe is extremely important. Using organisations that allow us to control who has access to your information is vital.
- The Scottish Widows Platform provides us with a level of control that is online, responsive and available 24 hours a day. Only those members of our staff aligned to your personal adviser and who have been fully trained on the system are allowed access.
- When you decide to take an income from your investments the Scottish Widows Platform provides a high level of automation that ensures, provided you have sufficient investments, you will be sent your income. They do not require us to disinvest your investments early to ensure there is sufficient cash available to be sent to you. This technology reduces our administration processes and ultimately the fees you have to pay.
- As investment markets fluctuate so too does your investment and the amount of money held in each fund. Over time this can mean your portfolio no longer matches your investment needs and as a result you may be taking greater or less risk than you desire. It is important to us this is automatically controlled through technology. The Scottish Widows Platform gives you and us the opportunity to reset the percentages back to when you first invested automatically, every month, quarterly, half yearly or annually.

Service

- The Scottish Widows Platform provides the UK financial advice market with support not seen across the market, which emphasises its commitment to financial advisers.

Further information on awards is listed later in this document

- There are frequent changes to legislation from Government as well as regulations from the Financial Conduct Authority. Many of these changes directly impact us as your adviser and ultimately affect you and your investments.
- The Scottish Widows Platform gives us access to on-the-ground and telephone support and has become one of the leading and most supportive companies in this area. Ultimately this benefits you.
- By having access to this support, we are able to react and correctly position your needs online, even where changes have just come into play.

DIGITAL CAPABILITIES/ACCESS

Making decisions quickly and with little fuss is important to us and it can be the little things that slow down essential processes, e.g. paperwork lost in the post. We prefer solutions that minimise the need for lots of paperwork.

- Scottish Widows Platform's online capabilities are made available to us as your adviser. They do not require you to sign additional paperwork when making simple but important changes to your investments. As a result, we can be more responsive to your immediate needs whilst ensuring you remain in control of the decisions made. Therefore, no additional paperwork is required when:
 - You wish to make changes to your investment funds
 - You move home and need to change your address
 - You want to make a withdrawal
 - You wish to change your regular income requirements
 - You decide to add additional money to your existing plan
- Making changes like these online speeds up the process for you and for us. Moreover, all these changes can be made at no additional cost to you.
- The Scottish Widows Platform provides online capabilities that enable us to manage your hard-earned money quickly and efficiently whilst invested in different 'tax wrappers'. Importantly, they do this in full view of advisers and clients like you, through a clear and transparent charging structure. They do not make additional ad hoc charges when you decide to make changes to your plans. This is an important consideration, especially as you [approach] [are in] retirement.
- Using Scottish Widows Platform's efficient online capabilities and processes can help us control the fees we charge for our services, and enable us to respond to your needs as they change over time.
- You can access information about your account online at a time and place convenient to you using your smartphone or tablet, as well as via personal computers and laptops.
- Through the Scottish Widows Platform online capability we can react to your needs quickly and efficiently when the time comes for you to access your pension commencement lump sum from your pension arrangement. This allows us to make decisions with you and take any agreed actions quickly. In this way we can ensure you receive your money at a time that suits you and your family.
- No one wishes to pay over the odds for their investments and we look to ensure you receive value for your money. Using their purchasing power when possible, EISL negotiates discounts on the charges of many of the investment funds available for your account, resulting in lower costs to you.

CHARGES

Value of assets	Platform charge at each band
On the first £100,000	0.35%
On the next £100,001 - £250,000	0.30%
On the next £250,001 - £500,000	0.25%
On the holdings above £500,000+	0.10%

Note: these are Scottish Widows Platform standard charges as detailed in their Terms and Conditions

- The Scottish Widows Platform Accounts have a yearly charging structure based on the total assets you hold in the Portfolio.
- The percentage charge is then deducted at account level. In addition, there is a yearly charge of £75 for the Pension Account (regardless of the number of pension arrangements you have in place or if you purchase Self Invested assets, although a Stockbroker charge will be made for the purchase and sale of exchange-traded assets), which is levied monthly.
- The first band of assets held is charged at an initial percentage rate and subsequent bands at lower percentage rates on the right of this page.
- We wish to ensure you are given every opportunity to benefit from lower costs. Where you or members of your family hold assets on the Scottish Widows Platform via our firm and where the combined total is at least £200,000, you may benefit from cost savings for the whole family through 'family linking'. We can link your family assets and where the total exceeds this assets threshold, the whole family will benefit.
- Some investment vehicles, such as ISAs, limit the amount you are able to invest in them each year. So as to ensure you are able to maximise your savings in ISAs we are able to instruct the Scottish Widows Platform to take the running costs and our fees from other investments held on the Platform. Some ISA-related fees will therefore be taken from your Investment Account.

RANGE OF INVESTMENT SOLUTIONS

The Scottish Widows Account offers access to a range of accounts including:

- Stocks & Shares ISA
- Junior ISA
- Investment Account
- Pension Account
- Junior Pension Account
- Offshore Bond from Utmost Wealth Solutions and Canada Life International

Through which you can also access a wide range of:

- Open Ended Investment Companies (OEICs) and Unit Trusts
- Exchange-traded assets and Investment Trusts

- The range of options and functionality provided supports the investment portfolio we recommend for you.
- At times you may experience different levels of risk you are prepared to accept in your investments, and this may be particularly true around retirement. It may be necessary to invest some of your money into different model portfolios with different levels of risk attached to them.
- Not all investment platforms are able to provide this. The Scottish Widows Platform is able to accommodate multiple model portfolios within each tax wrapper all at the same time. In order to ensure we are able to meet changes in your risk tolerance, it is important we make available solutions that can achieve this for you with no fuss. Model portfolios could be created by us as your adviser, or by third parties independent of me, your personal adviser, such as discretionary fund managers.
- You can usually sell your tradeable investments at any time. The amount that you get back when you sell is not guaranteed; it will depend on investment performance and you may not get back the amount you invested.
- A transfer of assets to/from the Scottish Widows Platform is available free of charge. This allows you to transfer existing assets as units or cash. Fund managers may take a charge for re-registering assets.
- The Scottish Widows Platform provides access to a Junior Suite (ISA and Retirement Account) allowing you to begin your child's or grandchild's journey to financial well-being at as early an age as possible.

EMBARK HORIZON FUNDS

The Embark Horizon range of five purpose-built, risk-profiled, multi-asset funds, offered by Embark Investments Limited are available via the Scottish Widows Platform, with fund management provided by Columbia Threadneedle in line with EV's strategic asset allocations, which can be applied to meet the specific risk appetite of investors.

1

Fund: Horizon Multi-Asset Fund I
Risk level: Cautious

The aim of the Fund is to grow the amount invested over the medium to long term (5 or more years) and to keep the Fund within a designated risk profile. This Fund is aligned to risk profile 1, the lowest risk profile in the Horizon Multi-Asset fund range, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with greater emphasis placed on fixed income securities and lower exposure to equities..

2

Fund: Horizon Multi-Asset Fund II
Risk level: Moderately Cautious

The aim of the Fund is to grow the amount invested over the medium to long term (5 or more years) and to keep the Fund within a designated risk profile. This Fund is aligned to risk profile 2, the second lowest risk profile in the Horizon Multi-Asset fund range, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with emphasis placed on fixed income securities and equities and potentially some exposure to property.

3

Fund: Horizon Multi-Asset Fund III
Risk level: Balanced

The aim of the Fund is to grow the amount invested over the medium to long term (5 or more years) and to keep the Fund within a designated risk profile. This Fund is aligned to risk profile 3, the middle risk profile in the Horizon Multi-Asset fund range, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations with greater emphasis placed on equity and lower exposure to fixed income securities and potentially some exposure to property.

4

Fund: Horizon Multi-Asset Fund IV
Risk level: Moderately Adventurous

The aim of the Fund is to grow the amount invested over the medium to long term (5 or more years) and to keep the Fund within a designated risk profile. This Fund is aligned to risk profile 4, the second highest risk profile in the Horizon Multi-Asset fund range, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations, with greater exposure to equity and some fixed income securities and potentially property.

5

Fund: Horizon Multi-Asset Fund V
Risk level: Adventurous

The aim of the Fund is to grow the amount invested over the medium to long term (5 or more years) and to keep the Fund within a designated risk profile. This Fund is aligned to risk profile 5, the highest risk profile in the Horizon Multi-Asset fund range, which means that it aims to deliver growth through assets that may demonstrate large price fluctuations, with greatest exposure to equity and some potential exposure to property. There may also be some exposure to emerging markets.

FLEXIBLE OPTIONS

Flexible Payment/Contribution Options

- You can choose to make single payments in (including transfers), regular payments or both. Regular payments can be made monthly, quarterly, half yearly or yearly. Single payments can be made by BACS, CHAPS or cheque and regular payments are facilitated by direct debit. Regular payments can be increased, decreased, stopped and restarted at any time without additional charge.
- There are no minimum contribution limits for single or regular payments into any of the accounts. Any maximum contribution limits will be determined by any current rules and regulations in relation to each account.

Flexible Withdrawal Options

- Managing the investment of your money is important. This is equally true when the time comes to withdraw your money. Automation can play a large part in this and we look to companies such as EISL who support this important process.
- Having money available to meet income needs sometimes necessitates it being in a particular place at the right time. The Scottish Widows Platform ensures that even if this isn't the case, you will still receive your income payment. Through an automatic disinvestment strategy that will be fully explained to you, they ensure your income is always available to you.

One-off withdrawals

- You can withdraw money from the EISL Account at any time. If you do not have enough cash to cover the withdrawal, assets will need to be sold first to provide sufficient cash to cover the withdrawal.

Regular withdrawals

- You can take regular withdrawals on a monthly, quarterly, half yearly or yearly basis. There are no maximum or minimum limits for withdrawals.
- You decide when you wish income to be paid to you. You can select any day between the 1st and 28th of each month. You can change your mind at any time and at no cost to you. Simply contact us and we can amend this for you.
- In order to pay regular withdrawals to you, there must be enough cash available within the account to make those payments. This can either be achieved by holding sufficient cash to make these payments to you or by allowing the platform to sell assets either proportionately across all funds or from specific mutual funds as a percentage amount (where the funds are not held as part of a model portfolio).
- Withdrawals can be stopped, started, increased, decreased or the frequency changed at any time.

PHASED INVESTMENTS

- During periods of strong market returns it can be appropriate to spread when investments are made into the stock market over several months. The Scottish Widows Platform enables you to make a single investment and automatically phase your investments.
- If left late, using available allowances such as your annual Individual Savings Account (ISA) or pension allowance can result in investing in the stock market when it is deemed to be at a high point. This may therefore not be the best time to invest, but you don't wish to lose your allowances.

PRE-FUNDING

- We are sometimes surprised by the length of time moving money around can take. The Scottish Widows Platform looks to reduce this time by providing faster access to money (referred to as pre-funding) when moving it around your Accounts. By doing this, the time taken to move money is greatly reduced, helping us to benefit you.
- This facility is provided without additional cost to you.

TOOLS AND REPORTS

- Making the right financial decisions can be quite daunting, with many alternative solutions presented to you at one time. Using technology to assist us, we access independent modelling tools, such as those available through the Scottish Widows Platform from specialist companies called EV and FE.
- These tools are designed to make it easier to understand your options, and simpler to model your own specific personal circumstances, rather than just 'someone like you'.
- These independent tools do not incur any additional charge for you.

AWARDS

It is important to us that independent organisations can provide a view of the solutions we offer to you. Notable reviews of Scottish Widows Platform* include:

- Holding an AKG financial strength rating of A Superior for the Platform
- Defaqto 5 star Adviser Platform rating for 2024
- Received a Platinum Platform Rating from Adviser Asset for 2024.
- Embark, providers of the Scottish Widows Platform, have been recognised as a WealthTech100 company for the fifth year running in 2023.

* previously named “Embark Platform”

SCOTTISH WIDOWS PLATFORM ACCOUNTS

Select the relevant sections based on your recommendation to your client:

Investment Account

The Investment Account, which holds 'unwrapped' assets, is provided when an Scottish Widows Platform Account is opened, but not activated until either a payment or an asset is received. Unwrapped assets are those not placed in a tax-efficient investment such as an ISA or a pension plan.

There is currently no minimum payment to open the account. Regular and one-off payments, as well as the transferring in ('re-registration') of supported assets from another provider, can be made at any time.

Regular withdrawals can either be taken proportionately from across all mutual funds or from specified mutual funds as a percentage amount.

In addition, one-off withdrawals can be taken at any time from available cash.

Stocks and Shares ISA

The Stocks and Shares ISA provides you with a flexible and tax-efficient way of investing. It aims to increase the value of the money invested without you paying tax on any income or capital gain. As it is a 'Stocks and Shares ISA', the assets that can be bought are Unit Trusts, Open-Ended Investment Companies (OEICs) and Exchange Traded Assets.

There is currently no minimum payment, with the maximum being set by HMRC. Regular and/or one-off payments, as well as the transferring in of supported assets and cash transfers from other ISA schemes, can be made at any time.

Regular withdrawals can either be taken proportionately from across all mutual funds or from specified mutual funds as a percentage amount. In addition, one-off withdrawals can be taken at any time from available cash.

The Stocks and Shares ISA can be cashed in or transferred to another ISA manager; Scottish Widows Platform does not make a charge for this.

Junior Stocks and Shares ISA

The Junior Stocks and Shares ISA provides you with a flexible and tax-efficient way of investing on behalf of your child or grandchild. It provides access to a wide range of mutual funds.

It aims to increase the value of the money invested without your child or grandchild paying tax on any future income or capital gain.

A cash transfer of proceeds from an existing Junior Stocks and Shares or Junior Cash ISA can be arranged.

The Junior Stocks and Shares ISA will convert to a standard Stocks and Shares ISA when the child or grandchild reaches 18. The child or grandchild will then be able to access the account as per the terms of a standard Stocks and Shares ISA, including regular and one-off penalty-free withdrawals.

The rules for Junior ISAs do not allow money to be taken from the Account.

SCOTTISH WIDOWS PLATFORM ACCOUNTS CONTINUED

Select the relevant sections based on your recommendation to your client:

Pension Account

The Pension Account is a self-invested personal pension, only available through the Scottish Widows Platform.

It provides access to a wide range of assets and gives you the flexibility to decide how and when to take your retirement benefits.

The Pension Account provides you with a flexible way of saving for your retirement, enabling you to benefit from tax relief on your payments. Existing pension accounts can be transferred into your Pension Account, while you make regular or one-off payments into your Account.

When the time comes, there is flexibility in how retirement benefits can be taken, whether in part or in full. EISL does not make any additional charges when you decide to take back your money.

Junior Pension Account

The Junior Pension Account is a self-invested personal pension, only available through the Scottish Widows Platform.

You can make payments into this Account on behalf of your child or grandchild until they reach age 18. Regular payments and adviser remuneration will stop five working days before the child's 18th birthday at which time, once we have the child's authorisation, they will take control of their Account and it will become a Pension Account.

As is currently the case with pension arrangements in the UK, benefits cannot be taken until at least the age of 55.

This Account provides access to the full range of mutual funds available under the Pension Account.



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For more details about the Scottish Widows Platform please speak to your Account Manager on 0330 024 2345. We may record or monitor calls to improve our service.



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HM Revenue & Customs (HMRC) practice, and the laws relating to taxation, are complex and subject to individual circumstances and changes which cannot be foreseen. We have based this information on our understanding of law & practice as at the date this document was created. We make every effort, to ensure that this information is helpful, accurate and correct but it may change, or may not apply to your clients' personal circumstances.

Scottish Widows Platform is a trading name of Embark Investment Services Limited, a company incorporated in England and Wales (company number 09955930) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356).