

Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

Marks & Spencer High Income Fund

Accumulation Units: GB0030013345

Income Units: GB0005750145

Manager: Marks and Spencer Unit Trust Management Limited, part of the HSBC Group

Objectives and investment policy

- The Fund's objective is to provide a high level of income, defined as the quoted average yield of funds in its Investment Association peer group which is the Strategic Bond peer group.
- The Fund invests in both corporate and government bonds of any duration and equities across global markets. Lower risk bonds (called 'investment grade') and higher risk bonds rated by Standard and Poor's below BBB- (called 'sub investment grade') will be held. A bond is a type of loan that pays interest.
- The Fund can use borrowing and may also use a technique known as efficient portfolio management which aims to reduce risk or cost to the Fund in circumstances where this is likely to be of benefit.
- The Fund may invest up to 10% of its assets in other funds.
- Income and accumulation units are available.
- You may sell your investment by contacting the Manager during the dealing hours noted in the Prospectus. Your units will be sold at 8am the following Business Day.
- Income is either paid to you or reinvested into the Fund and reflected in the value of your investment.
- Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

Risk and reward profile

Lower risk ← → Higher risk
Typically lower rewards Typically higher rewards

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More about this rating

The rating is based on price volatility over the last five years. As it is based on historical data, it may not be a reliable indicator of the future risk profile of the Fund. The rating is not guaranteed and may change over time. The lowest rating does not mean a risk-free investment.

Why is this Fund in category 3?

Bonds have greater risk than money market instruments (as they tend to have greater credit and interest rate risk), but less risk than shares.

Risks

As with any investment where the underlying investments are shares and/or bonds, the price of units and the income from them can go down as well as up, and you may get back less than the amount originally invested.

- **Exchange rate risk** Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations.
- **Derivative risk** The value of derivative contracts is dependent upon the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative. Unlike exchange traded derivatives, over-the-counter (OTC) derivatives have credit risk associated with the counterparty or institution facilitating the trade.
- **Credit risk** Issuers of debt securities may fail to meet their regular interest and/or capital repayment obligations. All credit instruments therefore have potential for default. Higher yielding securities are more likely to default.
- **Fixed Income risk** If yields on fixed income securities rise then the capital value of the Fund may decrease.
- **Interest rate risk** As interest rates rise debt securities will fall in value. The value of debt securities is inversely proportional to interest rate movements.
- **Emerging market risk** Emerging economies typically exhibit higher levels of investment risk. Markets are not always well regulated or efficient and investments can be affected by reduced liquidity.
- **Liquidity risk** Liquidity is a measure of how easily an investment can be converted to cash without a loss of capital and/or income in the process. The value of assets may be significantly impacted by liquidity risk during adverse market conditions.
- **Charges to capital** As charges are taken from the capital of the Fund, this may limit the potential for capital growth and there could be periods of time when these charges will be greater than the growth of the Fund.
- **Operational risk** The main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators.

Charges for this Fund

The charges you pay are used to pay the running costs of the Fund, including the marketing and distribution costs. These charges reduce the potential growth of the investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
Charges taken from the Fund over a year	
Ongoing charge	0.92%
Charges taken from the Fund under certain specific conditions	
Performance fee	0.00%

There is no entry charge.

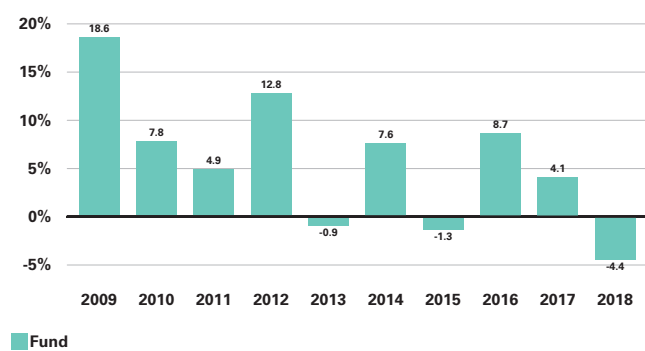
There is no exit charge for withdrawing your investment.

The ongoing charge figure is based on the annual management charge.

The ongoing charge is deducted from capital. This may reduce the potential for growth and there may be times when the charge is greater than the growth of the Fund.

Further information on charges can be found in the full Prospectus.

Past performance



Past performance is not a guide to future performance. The value of your investment and any income from it can go down as well as up. The past performance of this Fund is calculated in pounds sterling.

Performance returns are based on the Fund value with income reinvested. Past performance takes account of all ongoing charges but not entry and exit charges.

The Fund was launched and first priced on 19/02/1997.

Practical information

Trustee

State Street Trustees Limited, Quartermile 3, 10 Nightingale Way, Edinburgh EH3 9EG.

Further information

Further information about the Fund including the latest Prospectus, published unit prices, and the annual and half-yearly reports are available free of charge in English. To obtain these please contact the Manager, Marks and Spencer Unit Trust Management Limited, by visiting www.marksandspencer.com/unittrusts, calling us on 0808 005 5555 or by writing to M&S Savings and Investments, Kings Meadow, Chester CH99 9FB. The remuneration policy of the Manager, which describes how remuneration and benefits are determined and awarded, is available at <https://bank.marksandspencer.com/remuneration-policy> or on request, free of charge, from the Manager.

Tax

UK tax legislation that applies to the Fund may have an impact on your personal tax position.

Management company

The Manager, Marks and Spencer Unit Trust Management Limited, may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Fund.

Authorisations

The Fund and Marks and Spencer Unit Trust Management Limited are authorised in the United Kingdom and regulated by the Financial Conduct Authority.

Publication date

This key investor information is accurate as at 19 February 2019.