

Non-UCITS retail scheme 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.

IPS Higher Income Portfolio Class Q Income

A sub-fund of Investment Portfolio ICVC.

The fund is managed by Scottish Widows Unit Trust Managers Limited, part of the Lloyds Banking Group.

ISIN: GB00B8N61S58

Objectives and investment policy

The Fund has been designed to be held as part of an existing portfolio of investments through which investors can achieve tactical investment. It is not suitable to be held as a stand-alone investment.

The Fund aims to provide a high level of income. The Fund will provide exposure to fixed interest securities, including government bonds, corporate bonds, high yield bonds and overseas bonds, through a combination of Collective Investment Schemes and direct investment in assets.

The Fund may also provide exposure to equities, UK or overseas property and certain "alternative" asset classes, such as commodities and hedge funds. The Fund may also invest in derivatives for investment purposes.

High yield bonds are also known as Non-investment grade bonds. Non-investment grade bonds have not been awarded the minimum rating required to meet the investment grade rating. Therefore they are considered higher risk than bonds with a higher credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

It is intended that the Fund will normally be fully invested. However, from time to time all or part of the assets of the Fund may be invested in cash, or cash-like instruments if it is felt this will be of benefit to the Fund.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons, normally referred to as Efficient Portfolio Management (EPM) in addition to their use for investment purposes:

*to help reduce risk,

*to help reduce cost,

*to help generate extra capital or income for the Fund with an acceptably low level of risk.

Any Income received by the Fund will be paid out to you.

We calculate the value of the Fund at 12 noon daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received after 12 noon will receive the next day's price.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards,
lower risk

Typically higher rewards,
higher risk



- The Fund is ranked at 3 because it has experienced low to medium levels of volatility over the past 5 years.
- The value of your investment and any income from it is not guaranteed and can go up and down depending on investment performance. Specific investment risks for the Fund are:
- Company shares ('equities') generally offer higher long term growth potential than some other asset classes. Values can fluctuate considerably. There's a greater risk you might not get back all of your money.
- The value of a bond / fixed interest security could fall if the issuer's credit rating falls. Values are also likely to fall if interest rates rise (but increase when interest rates fall). In addition issuers might fail to make their income payments and/or repay capital.
- The fund invests in non-investment grade bonds / securities, which carry increased risks that the issuers might have their credit rating cut or might not be able to make their payments.
- Exchange rate changes might cause the value of overseas investments and any income from them to go up and down.
- Using derivatives for investment purposes may increase the Fund's risk profile and also increase volatility. Derivative strategies could increase or reduce the impact of market movements which has the potential to result in greater losses, or gains, to the Fund.
- Derivatives used for Efficient Portfolio Management may result in greater fluctuations of the value of the Fund, however it is not intended that this will cause the risk profile of the Fund to change.
- Other companies (known as counterparties) can provide derivative investments. If a counterparty fails, this could impact the fund's value. The fund may take a level of collateral from a counterparty, which may be used if the counterparty fails.
- Further details of the risks relating to investment in this Fund can be found in the Prospectus, including risks relating to investment in collective investment schemes, which is available on request or at our website www.scottishwidows.co.uk

Charges

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

One-off charges taken before or after you invest

Entry charge	0.00%
Exit charge	0.00%

These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year

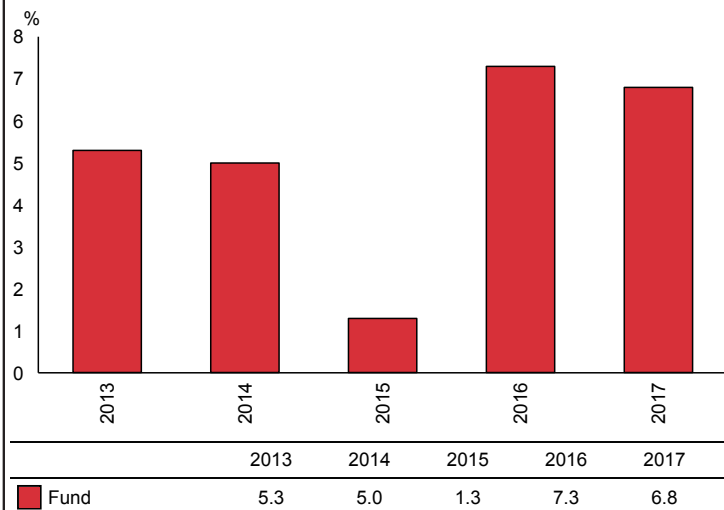
Ongoing charges	0.65%
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Charges taken from the Fund under specific conditions

Performance fee	NONE
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- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- The Ongoing Charge figure is as at 04/18.
- Please refer to the "Fees and Expenses" section of the Prospectus for more details on the charges. The Prospectus is available at www.scottishwidows.co.uk
- This share class does not operate performance fees.

Past performance



Source: FE 2018

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 25/01/2010.
- Share/unit class launch date: 01/11/2012.
- Performance is calculated in GBP.
- Performance is net of charges (excluding Entry Charge) and gross of tax.
- As a result of changes to legislation following the introduction of the Personal Savings Allowance, we have reclassified net share classes to gross (of income tax), effective from February 2017. All interest distributions will be paid gross of income tax from 6 April 2017.

Practical information

- The depositary for the Fund is State Street Trustees Limited.
- The Fund prices are available from www.scottishwidows.co.uk
- The tax regime applicable is that of the United Kingdom and may have an impact on your tax position.
- The Investment Portfolio ICVC is a Non-UCITS retail scheme (NURS) with a number of different funds. This Key Investor Information Document describes a single fund of the NURS. The Prospectus and Report and Accounts are prepared for the entire NURS and are available in English and free of charge at www.scottishwidows.co.uk
- This Key Investor Information Document is based on Share Class P (Income). Information on other Share Classes can be found in the Prospectus.
- You can make switches into other shares or funds. See "Switching" in the Prospectus.
- The assets and liabilities of each fund are segregated by law. Therefore, the assets of this fund belong exclusively to it and are not available to meet the liabilities of any other fund of the Investment Portfolio ICVC.
- Details of our remuneration policy, which includes a description of how remuneration and benefits are calculated, the identities of the persons responsible for awarding remuneration and benefits and the composition of the remuneration committee can be found here - <http://reference.scottishwidows.co.uk/docs/groupremun.pdf>. A paper copy is available free of charge upon request.