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

managed by Marks and Spencer Unit Trust Management Limited, part of the HSBC Group

Class:Income
ISIN:GB0005750145

Explanations of definitions used in the Fund objectives and policy in bold, can be found within the definitions document on our website: www.marksandspencer.com/unittrusts.

Objectives and Investment Policy

- The Fund's objective is to provide a high level of **income,** defined as **income** equal to, or in excess of, the average **yield** of funds in the Fund's Investment Association sector, which is the Strategic Bond Sector, over a three year period.
- The Fund invests in various types of **bonds** of any duration and **bonds** that can be converted into **shares** of the companies (called '**convertible bonds**') and **money market instruments** across global markets. The Fund may invest in **bonds** indirectly by investing up to 20% in **collective investment schemes**.
- The Fund may invest up to 5% in **contingent convertible bonds** and an additional 5% in **convertible bonds**.
- The Fund invests in a range of different types of **bonds**, these may include corporate, government, **emerging market**, **high yield bonds** and **quasi sovereign bonds** (**bonds** which are majority owned by the government). 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.

Use of Benchmarks

- The Investment Manager uses their expertise to pick investments. The Fund is **actively managed** with reference to the Fund's Investment Association sector, the Strategic Bond Sector. The Investment Association Strategic Bond Sector has been selected as an **income** target and a measure for performance of the Fund because it consists of funds similar to the Fund. Further information on the Investment Association sectors can be found at www.theia.org.

Use of Derivatives

- The Fund may invest in **derivatives** and use borrowing as part of **efficient portfolio management** with a level of risk that is consistent with the overall risk profile of the Fund. The **collective investment schemes** that the Fund may invest in may use **derivatives** for wider investment purposes in addition to **efficient portfolio management**. The Fund will only invest in such **collective investment schemes** where this is consistent with the overall risk profile of the Fund.
- Income is paid out.
- 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.
- 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

1	2	3	**4**	5	6	7

The risk and reward indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.

The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean a risk-free investment.

Why is this Fund in this specific category?

This Fund is classified in category 4 because its price or simulated data has shown medium fluctuations historically.

Material risks not fully captured by the Risk and Reward Indicator:

- **Convertible bond risk** Convertible securities are structured as bonds that typically can, or must, be repaid with a predetermined quantity of equity shares, rather than cash. Therefore, they carry both the risks of equities, and the credit and default risks typical of bonds.
- **Counterparty risk** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- **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.
- **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.
- **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.
- **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.
- **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.
- **Investment leverage risk** Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- **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.
- **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

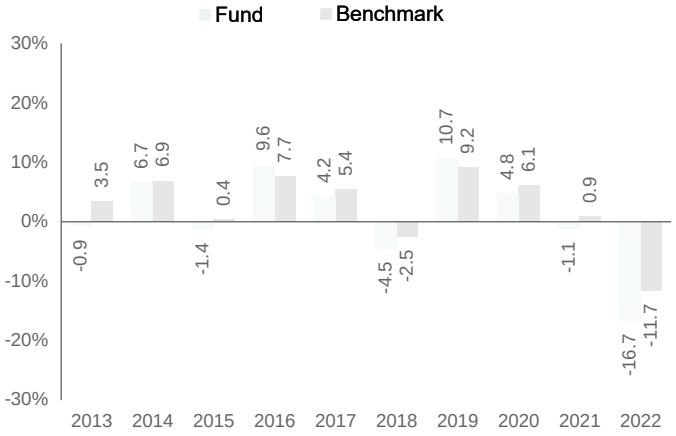
The charges you pay are used to pay the running costs of the Fund, including the marketing and distribution costs. These charges reduce the potential growth of the investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the Fund over a year	
Ongoing charge	0.96%
Charges taken from the Fund under certain specific conditions	
Performance fee	None

- There is no entry charge.
- There is no exit charge for withdrawing your investment.
- The ongoing charge figure is an estimate following a change to the charging structure. The Fund's annual report for each financial year will include detail on the exact charges made.
- The annual management charge included in 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 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.
- 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 past performance of this Fund is calculated in pounds sterling.
- The performance of the Fund is shown against the performance of the Investment Association Strategic Bond Sector.
- The Fund was launched and first priced on 19 February 1997.

Practical Information

Depositary
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 team, M&S Bank, PO Box 10581, 51 Saffron Road, Wigston LE18 4US.

Unit Classes
Income and Accumulation Units are available, as detailed in the Prospectus.

Remuneration Policy
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.

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

This key investor information is accurate as at 10 February 2023.