

VitalityInvest ESG Risk Optimiser 5 fund.

Series F.

Fund factsheet | September 2021



This fund is eligible for the following product feature:



Risk ratings:



Fund objective

The fund is designed to deliver long-term returns through income and capital growth while remaining within a pre-determined target risk profile. Where possible, the fund aims to take into account environmental, social and governance (ESG) considerations. For example, it does this through exclusions which aim to limit investment in companies which may do harm or by investing a greater proportion of the fund in companies with higher ESG ratings.

The fund will primarily invest in a diversified portfolio of mainly index-tracking funds across a number of asset classes.

These asset classes may include shares (equities), bonds, property, money market instruments and bank deposits.

The fund is likely to have a mix of lower- and medium-risk investments such as cash, cash-type assets, bonds, and higher-risk investments such as UK and overseas equities.

Cumulative performance graph

Value of £1,000 invested, September 2018 to September 2021, net of fees*



* Please note that this performance data includes simulated past performance¹ up to 30 December 2020. Source: VitalityInvest

Simulated past performance and past performance should not be taken as a guide to the future performance and there is no guarantee that this investment will make profits: losses may be made. Launch date: 30 December 2020

Risk profile

This Fund's target risk profile is a 5 on a scale of 1 (lowest) to 10 (highest). This scale is defined independently by Distribution Technology (DT) within their Dynamic Planner system. The Fund's allocation to each asset class is managed to ensure that the Fund remains within its target risk profile. Asset allocation input is provided by DT based upon their research and analysis of the long-term historical returns and volatility of each asset type. Dynamic Planner is the brand name of the software system used by DT to generate the risk band that the Fund will aim to stay within. Each risk profile is defined by a target risk band, with risk defined as a fund's expected volatility of returns. Volatility is a measure of the ups and downs of the performance of a fund. The higher the volatility, the more uncertainty there is in the returns.

Historical performance

As of 30 September 2021, net of fees

Period	Fund performance
1 month	-1.6%
3 months	1.4%
6 months	5.8%
Year to date	6.6%
1 Year	13.5%
3 Years [†]	8.9%
Since launch*	6.1%

Annual performance

12 months to 31 December

2016	14.0%
2017	9.4%
2018	-2.7%
2019	16.8%
2020	10.2%

* Launch date: 30 December 2020

[†] Data has been annualised. Annualised figures are the equivalent returns received year on year over a specific term that would provide the same total return over the term as has been experienced. Source: VitalityInvest

Asset allocation



■ Cash 5%
■ Bond 28%
■ Equity 67%

Portfolio breakdown



■ Cash 5%
■ UK Gilts 3%
■ UK Index Linked Gilts 4%
■ US Government Bond 2%
■ Europe Government Bond 1%
■ Japan Government Bond 1%
■ Global Corporate Bond 12%
■ Short Term Bond 5%
■ UK Equity 24%
■ European ex-UK Equity 5%
■ North American Equity 24%
■ Japanese Equity 6%
■ Asia Pacific ex- Japan Equity 4%
■ Emerging Market Equity 4%

Source: VitalityInvest

Portfolio holdings

Fund name	Weight
Cash	5%
Vanguard U.K. Government Bond	3%
Vanguard U.K. Inflation-Linked Gilt	4%
Vanguard US Government Bond	2%
Vanguard Euro Government Bond	1%
Vanguard Japan Government Bond	1%
iShares ESG Screened Global Corp Bond	12%
iShares Sterling Ultrashort Bond ESG	5%
UBS ETF MSCI UK IMI SRI	24%
iShares MSCI Europe SRI	5%
iShares MSCI USA SRI	24%
iShares MSCI Japan SRI	6%
UBS ETF MSCI Pacific SRI	4%
iShares MSCI EM SRI	4%
Total	100%

¹ Simulated past performance has been constructed using historical asset allocations provided by DP with the same asset classes and underlying holdings in which the funds are currently invested, or equivalent indices where the underlying strategies were launched after the start date of the simulated past performance. Daily rebalancing to the historical asset allocations has been applied. The simulated past performance is reported net of current fees. Source of data for underlying holdings: Morningstar

Key risks

General risks

The value of these investments, and any income generated from them, will be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which they invest. Past performance should not be taken as a guide to the future performance. The Fund's objectives will not necessarily be achieved and there is no guarantee that these investments will make profits; losses may be made. This Fund may not be appropriate for investors who plan to withdraw their money within the short to medium term.

Specific fund risks

Charges from capital: Expenses are charged to the investment. This could constrain future growth.

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivative counterparty: A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses. This may lead to large changes in value and potentially large financial loss. Although the Fund does not invest in derivatives directly, the underlying holdings of the Fund could gain exposure to asset classes through the use of derivatives.

Emerging markets: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Government securities exposure: The portfolio will invest in government securities issued or guaranteed by a permitted single state.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.




Additional features available when using the VitalityInvest product wrappers


Healthy Living Discount

To reward you for living a healthy lifestyle, we will give you a discount on your product charge. We'll measure how healthy your lifestyle is through your Vitality Status. To see whether you are eligible for the Healthy Living Discount please refer to your plan's terms and conditions.

Find out more. Please see the Key Features/Plan Summary and Terms and Conditions for your VitalityInvest plan.



Signatory of



Principles for Responsible Investment

About VitalityInvest

VitalityInvest is a trading name of Vitality Life Limited, which is part of the Discovery Group of companies in the UK and is owned by Discovery Limited ("Discovery").

Discovery is a South African based global financial services group listed on the Johannesburg Stock Exchange in South Africa. In South Africa, Discovery has business covering health and life insurance, long-term savings and investments, general insurance and credit cards.

The Vitality UK companies provide health and life insurance and long-term savings and investment business.

Fund and dealing Information

Fund launch date	30 December 2020
Portfolio manager	VitalityInvest
ABI Sector	Mixed Investment 40-85% Shares
Fund size	£1145,631.06
Unit price	£2.12
Base Currency	GBP
Initial Charge	0.00%
Ongoing Charges	0.42%
ISIN	GB00BMGH9P63
SEDOL	BMGH9P6
Valuation and dealing frequency	Daily
Settlement period	Subscriptions: T+2 Redemptions: T+3

Contact details

If there is anything you are not clear about, please speak to your financial adviser if you have one, or you can contact us.

Email investcustomerservices@vitality.co.uk

Write to us at VitalityInvest, Sheffield, S95 1DD

Call 0333 99 60 400

Calls to 03 numbers are charged at local rates. Call charges may vary, please check with your service provider. We may record or monitor calls to help improve service. For details visit vitality.co.uk/contact/.

If you choose to contact us by email, there are some security measures that you should consider. To find out more about these measures, please visit vitality.co.uk/data-protection. If you're unsure if you can securely send us an email, it's always safer to upload documents to your 'My Documents' page on the Invest section of your Member Zone, or give us a call.

Copies of all documentation can be provided in a variety of formats. If you would like this document to be issued to you in a different format please contact us. All documentation and communication will be in the English language.

VitalityInvest is a trading name of Vitality Life Limited. Vitality Life Limited is registered in England and Wales with Company Number 03319079. Registered office at 3 More London Riverside, London SE1 2AQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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