

Your pension investment choices

FUNDS AVAILABLE



Your pension investment choices

This guide is intended to give you basic information about the fund choices available to investors in the Corporate Stakeholder Pension Plan.

- If you'd like more information on fund selection, please see our Fund Selection Guide (OA4).
- Before making your investment choices please make sure you read the following information, which includes details of some of the risks you should be aware of.

- If you'd like more information on each of the funds, or would like to access an online version of the Fund Selection Guide, please visit:
www.standardlife.co.uk/pensions

You can also request individual fund fact sheets by calling: **0845 60 60 075 (call charges may vary)**.

Calls may be recorded/monitored to help improve customer service.

We're sorry we're unable to offer any financial advice. If you're in any doubt about which investment fund(s) you should choose, we strongly recommend you speak to a financial adviser.

Your pension investment choices

Standard Life offers a comprehensive range of investment funds to help you to achieve a balance between the amount of risk you're willing to take and the potential rewards you want to achieve.

There are two options you can take when investing for your retirement:

Option 1 Ready-made Low Involvement

- Ready-made portfolios invest in a mix of different assets such as cash, bonds, property and equities. You can invest in one of these or a mixture of all four.
- Once you've decided which funds you want to invest in, an expert will decide how much to invest in each area, and manage your investment to keep it in line with your chosen risk group.
- You only need to select one fund, although you may choose more if you wish.

If you want a low level of involvement in the management of your investment fund(s), Option 1 could be the option for you. However, it is still important to monitor the performance of your fund(s), especially as you near retirement.

Option 2 Pick your own High Involvement

- You'll need to build your investment portfolio from a number of funds – this can contain a mixture of funds from the 'pick your own' and 'ready-made' fund lists.
- It's up to you to regularly monitor the performance of your funds and decide whether to change funds.
- You may need to adjust your portfolio regularly to keep it in line with your investment profile.

If you have good investment knowledge and want a high level of involvement and control over your investments, Option 2 could be the option for you.

Guidance Notes

The following notes contain further information about the fund tables provided in this guide, and explain the terms used within them.

- **Fund name and fund code**

This provides the name of the fund and internal code used by Standard Life. Please enter both of these in full in the appropriate boxes when completing an application form. This will help us process your application more quickly.

- **Annual Charge**

This is the Annual Management Charge that applies to money invested in a fund. The charge for your pension plan may be lower than illustrated in this guide – please see your Key Features Document or Illustration for more information about the charges that apply to you.

- **Additional expenses**

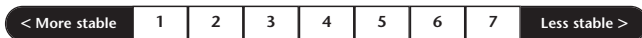
Fund managers may charge an additional expense to cover costs such as trustees', registrars', auditors' and regulators' fees and safe custody charges. Where this charge applies, it is taken directly from the fund and is included in the unit price. The expenses quoted are correct as at July 2007. Exact charges incurred may differ to what is shown.

- **Volatility**

This rating of a fund is an indicator of how much the fund price might vary. The higher the volatility rating, the less stable the fund price is likely to be. You can use this to help you decide how much risk you are comfortable taking with your investments.

We allocate ratings by considering:

- how the fund price has varied from month to month in the past, relative to other funds available for this product
- how investments in similar asset classes vary from month to month and the investment policy of the fund.



Typically, the higher the volatility rating, the greater the potential investment return, but also the greater potential for losses. The volatility ratings for funds are kept under review and might be subject to change. Ratings are correct as at date of publication.

Important Information

Before making your investment choices please make sure you read the following information, which includes details of some of the risks you should be aware of:

- You can switch your payments in and out of various funds to change the mix of investments but you can only invest in 12 funds at any one time.
- The return on your investment in investment-linked funds is directly related to the performance of the assets in which they are invested.
- The price of units in investment-linked funds depends on the value of the underlying assets and can go down as well as up. You may not get back as much as you invest.
- With profits operates in a different way to other types of investment. If you are considering investing in with profits, please see the Key Features Document and our 'Understanding With Profits' booklet in your joining pack. You can get a copy of Understanding With Profits from our website – www.standardlife.co.uk/withprofits – or by calling us on 0845 60 60 075.
- The Sterling value of overseas assets in some of these funds may rise and fall as a result of exchange rate fluctuations.
- The asset mix for each investment-linked fund is continuously reviewed and may be changed in line with developments in the relevant markets. A proportion of each fund may be held in cash.
- Funds linked to the fund of external fund managers may be withdrawn at any time by their respective investment company – this is outside Standard Life's control.
- If you decide to invest in a property fund, you should be aware that property can be difficult to sell, so you might not be able to sell your investment when you want to. In exceptional circumstances, it could take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.
- In order to maintain fairness and equity between unitholders remaining in and unitholders leaving a fund, we may, in exceptional circumstances, delay switching all or part of your funds for up to one month or, in the case of units of a fund which invests directly or indirectly in buildings or land, for up to six months. If we delay the switch, we will use the unit prices that apply on the day on which the switch actually takes place.
- The charges and additional expenses are not guaranteed. They are regularly reviewed and may be changed in the future. However, the maximum charge currently allowed by the Government for Stakeholder is 1.5% a year.

- As part of our investment strategy we may lend some assets of these funds to selected financial institutions, with the objective of enhancing the returns to the fund. In certain circumstances, for example if the institution encountered financial difficulties and was unable to return the asset, the fund could suffer a loss. We use a number of controls, such as obtaining security from the borrower and monitoring their credit rating, in order to reduce the risk to the fund.
- Before buying a product, you need to be aware of the risks and commitment involved. Details are available in the Key Features Document.

Option 1: Ready-Made

Ready-made portfolios invest in a mix of different assets such as equities and bonds. To help you select the portfolio which best meets your needs, we have categorised them into risk groups – Cautious, Balanced and Opportunity. These also cover a range of different fund types including – Managed, With Profits and Lifestyle profiles.

Risk groups

- **Cautious**

The Cautious group offers some potential for growth. Whilst this growth is limited compared to the Balanced and Opportunity groups, the Cautious group offers more stability. As such, it may suit investors with a short term to retirement (for example, 2 to 5 years) who prefer the prospect of stability to the potential for growth.

- **Balanced**

The Balanced group offers more potential for growth than the Cautious group, but in turn is less stable. It may suit investors who have a medium term to retirement (for example, 6 to 10 years) who are happy to use this term to ride out stock market ups-and-downs in expectation of higher potential returns.

- **Opportunity**

The Opportunity group offers the greatest potential for growth, but carries with it the greatest risk. As such, it may suit investors with a longer term to retirement (for example, more than 10 years) who are confident to ride out stock market ups-and-downs in order to seek the greatest potential returns.

Please note that the value of investments in each risk group can go down as well as up, and you may get back less than your initial investment.

Fund types

- **Managed**

These funds are managed by a single fund manager. The fund manager will decide what percentage of your money to place in different types of assets (depending on your risk group), such as equities and bonds.

- **With Profits**

With profits operates in a different way to other types of investment. If you are considering investing in with profits, please see the Key Features Document and our 'Understanding With Profits' booklet in your joining pack. You can also get a copy of Understanding With Profits from our website – www.standardlife.co.uk/withprofits – or by calling us on 0845 60 60 075. Quarterly information on the asset mixes for different classes of with profits investment is also published on our website.

- **Lifestyle profiles**

Lifestyle profiles automatically move your money into more secure funds as you approach retirement. This can help investors who do not want to do this themselves, but want to help protect their pension fund from potential stock market falls when nearing retirement. If you invest in a Lifestyle profile and you wish to combine this with another investment option, you can only combine it with investment in with profits. You cannot combine it with any other investment fund or Lifestyle profile. For more information on Lifestyle profiles please ask your financial adviser or nearest Standard Life office for a copy of our Corporate Stakeholder Lifestyle Profiles leaflet (CSPP41).

Please note that the value of investments in each fund type can go down as well as up, and you may get back less than your initial investment.

Risk Group	Fund Type	Fund Name	Fund Code	Volatility	Annual Charge
Opportunity	Lifestyle (Note 2)	Standard Life Corporate Stakeholder FTSE* Tracker Lifestyle	1FTT	5	1.00%
		Standard Life Corporate Stakeholder Global Equity 50:50 Active Lifestyle	1GEA	5	1.00%
		Standard Life Corporate Stakeholder Global Equity 50:50 Passive Lifestyle	1GEP	5	1.00%
		Corporate Stakeholder BGI Global Equity 50:50 Index Lifestyle	1BGI	5	1.00%
	Managed	Standard Life Corporate Stakeholder Global Equity 50:50 Tracker	H8	5	1.00%
		Standard Life Corporate Stakeholder Global Equity 50:50	HT	5	1.00%
		Corporate Stakeholder Baillie Gifford Worldwide Equity	KI	5	Note 1
	Standard Life Corporate Stakeholder Stock Exchange	FB	5	1.00%	
Balanced	Lifestyle (Note 2)	Standard Life Corporate Stakeholder Balanced Managed Lifestyle	3BAL	4	1.00%
	With Profits (Note 2 & 3)	Standard Life Corporate Stakeholder With Profits 2006	BO	4	1.00%
		Standard Life Corporate Stakeholder With Profits	AW	4	1.00%
	Managed	Corporate Stakeholder BGI Consensus Index	JU	4	1.00%
		Standard Life Corporate Stakeholder Ethical	G7	4	1.00%
		Standard Life Corporate Stakeholder Managed	FA	4	1.00%
		Corporate Stakeholder Aberdeen Multi-Asset (ex Property)	KA	4	Note 1
		Corporate Stakeholder Baillie Gifford Managed Pension	KC	4	Note 1
	Corporate Stakeholder JP Morgan Life Moderate	KE	4	Note 1	
Cautious	Lifestyle (Note 2)	Standard Life Corporate Stakeholder Cautious Managed Lifestyle	3CAU	3	1.00%
	Managed	Standard Life Corporate Stakeholder Cautious Managed	F8	3	1.00%

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1. Only available by special arrangement. Please check with your employer to find out if this fund is available to you.
2. If you invest in a Lifestyle profile and you wish to combine this with another investment option, you can only combine it with a with profits fund. You cannot combine it with any other investment fund or Lifestyle profile.
3. If your plan started before we demutualised on 10 July 2006 you can invest in the Corporate Stakeholder With Profits Fund. If your plan started after we demutualised you can invest in the Corporate Stakeholder With Profits 2006 Fund.

Are you approaching retirement?

If you are nearing retirement (for example if you are 5 years or less away), you may want to consider investing in funds aimed at protecting your pension funds in line with your plans for retirement. The following two funds do not offer significant potential for growth but do offer a higher degree of stability. They are intended to 'lock-in' your retirement plans by investing any funds set aside for a tax-free lump sum in very stable assets and your planned pension fund in assets that go up and down broadly in line with Lifetime Annuity (pension) prices.

As the two funds are not 'ready-made', you should choose a mix that is in line with what you plan to do with your pension plan at retirement. For example, if you planned on taking a 25% tax-free lump sum at retirement, you could choose to invest 25% in the Standard Life Corporate Stakeholder Sterling Fund and 75% in the Standard Life Corporate Stakeholder Protection Fund.

- The Standard Life Corporate Stakeholder Protection Fund invests wholly in long-dated bonds, whose value moves broadly in line with Lifetime Annuity (pension) prices. This helps investors protect their pension income against sudden falls in the stock market or against Lifetime Annuity price rises. This fund does not offer any guarantees as to the amount of pension that will be paid at retirement. It may not be suitable for any portion of the fund that is to be used to purchase an index-linked annuity.
- The Standard Life Corporate Stakeholder Sterling Fund invests in a range of 'cash type' investments as well as bank and building society deposit accounts. This means that although the fund should prove very stable and secure it is not guaranteed and in extreme conditions, the value of the fund could fall. This fund helps investors who are looking for a stable home for the funds they have built up just before they plan to retire. It may also be suitable for funds that have been set aside for a tax-free lump sum. Please check your pension policy documents to check whether a tax-free lump sum is available as part of your pension plan benefits.

Asset Class	Fund Name	Fund Code	Volatility	Annual Charge
Bonds	Standard Life Corporate Stakeholder Protection Fund	F9	3	1.00%
Cash	Standard Life Corporate Stakeholder Sterling Fund	GS	1	1.00%

If you are in any doubt about which investment funds to choose, we strongly recommend that you speak to a financial adviser. Please note that if you are considering income drawdown, you should seek professional advice, as these funds may not be appropriate.

Option 2: Pick your own

You can pick your own funds to build your own portfolio from one, or a combination of: equities, property, bonds and/or cash – these are often referred to as ‘asset classes’.

Please note that the value of investments in each asset class can go down as well as up. Past performance is not a guide to future performance but the following information explains how these asset classes have historically related to each other.

Asset classes

- **Equities**

These are stocks and shares in companies. Historically, equities have produced the highest returns, and offer the best chance of beating inflation over the long term. However, they also carry greater risk – over the short term their value can go up or down significantly.

- **Property**

This allows you to invest in a range of commercial and industrial property. Historically, property has provided lower returns than equities but higher returns than bonds or cash.

- **Bonds**

Governments and companies issue bonds as a type of loan in order to borrow money. In return they may promise to repay the loan at a future date and may also pay interest. Historically bonds have produced better returns than cash, but lower returns than property or equities.

- **Cash**

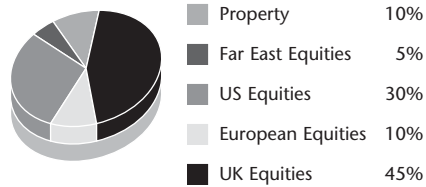
Investing in cash means putting your money on deposit (for example, in a bank account) where it earns interest. This does offer more security than equities, property or bonds, but has less potential for growth.

Picking your own asset mix

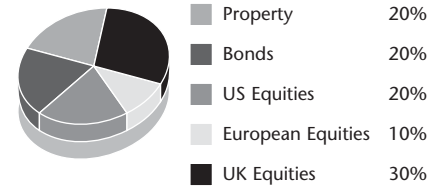
It is very important that you pick an asset mix and build a portfolio that will meet your individual needs. At Standard Life, we have developed an asset mix for each risk group – Opportunity, Balanced and Cautious – plus a fourth asset mix intended for people nearing retirement. You may wish to use these for guidance to help build your own asset mix.

Please note these asset mixes are for illustrative purposes only, and should not be taken as advice. If you are in any doubt about picking an asset mix, we strongly recommend you speak to a financial adviser.

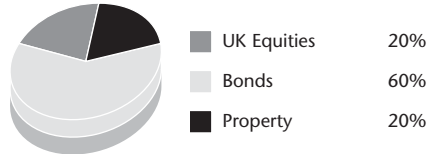
Opportunity profile
Asset class%



Balanced profile
Asset class%



Cautious profile
Asset class%



Approaching retirement
Asset class%



* 'Cash' refers to the Standard Life Corporate Stakeholder Sterling Fund.

** 'Protection' refers to the Standard Life Corporate Stakeholder Protection Fund, which invests in long-dated bonds.

Asset Class	Fund Name	Fund Code	Volatility	Annual Charge
UK Equities	Standard Life Corporate Stakeholder FTSE* Tracker	G6	5	1.00%
	Standard Life Corporate Stakeholder UK Equity	FN	5	1.00%
	Corporate Stakeholder Baillie Gifford UK Equity Pension	KU	5	Note 1
	Corporate Stakeholder BGI UK Equity Index	JP	5	1.00%
European Equities	Corporate Stakeholder BGI European Equity Index	NF	6	1.00%
	Standard Life Corporate Stakeholder European Equity Tracker	H4	6	1.00%
	Standard Life Corporate Stakeholder European	FE	6	1.00%
North American Equities	Standard Life Corporate Stakeholder US Equity Tracker	H2	6	1.00%
	Standard Life Corporate Stakeholder North American	FK	6	1.00%
	Corporate Stakeholder BGI US Equity Index	NJ	6	1.00%
Far East Equities	Standard Life Corporate Stakeholder Japanese	FJ	7	1.00%
	Corporate Stakeholder BGI Japanese Equity Index	NK	7	1.00%
Overseas Equities	Standard Life Corporate Stakeholder Overseas Tracker	H5	6	1.00%
	Standard Life Corporate Stakeholder Overseas	FO	6	1.00%
	Corporate Stakeholder BGI Global Equity 50:50 Index	JO	5	1.00%
	Corporate Stakeholder BGI Pacific Rim Equity Index	NH	6	1.00%
	Corporate Stakeholder BGI World (ex UK) Index	JQ	6	1.00%
	Corporate Stakeholder HSBC Life Amanah Pension	JB	6	Note 1
	Corporate Stakeholder JP Morgan Life Growth	YM	5	Note 1
Bonds	Standard Life Corporate Stakeholder Corporate Bond	HH	2	1.00%
	Standard Life Corporate Stakeholder Fixed Interest	FP	2	1.00%
	Standard Life Corporate Stakeholder Index-Linked	FL	2	1.00%
	Standard Life Corporate Stakeholder Overseas Fixed Interest	G9	2	1.00%
	Standard Life Corporate Stakeholder Protection	F9	3	1.00%
	Standard Life Corporate Stakeholder UK Fixed Interest	G8	2	1.00%
	Corporate Stakeholder BGI >5yr Gilt Index	NB	2	1.00%
	Corporate Stakeholder BGI >15yr Gilt Index	ND	3	1.00%

Asset Class	Fund Name	Fund Code	Volatility	Annual Charge
Property	Standard Life Corporate Stakeholder Property	FM	2	1.00%
Cash	Standard Life Corporate Stakeholder Sterling	GS	1	1.00%

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Notes

1. Only available by special arrangement. Please check with your employer to find out if this fund is available to you.

If you need more help to understand this table please see the Guidance notes on page 4.

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