



Key features of the

ISA and

Investment Fund

from Standard Life



keyfacts®

The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our ISA and Investment Fund is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This Key Features Document is for UK residents only.

Key features

Some words within this document have initial capitalisation. This means they are defined terms which are explained within the definitions section of the Terms and Conditions for the Individual Savings Account (ISA) and Investment Fund (“Terms and Conditions”).

Its aims

To give you the potential for capital growth, or income, or a combination of both.

To give you access to your money by making regular withdrawals. You can also make one-off withdrawals at any time.

To offer tax-efficient investments through an ISA.

To allow you to choose from a range of investments to match your investment objectives.

Your commitment

To invest a minimum initial lump-sum payment of £500, or £250 for any further lump-sum payment, or a minimum monthly payment of £50.

You should view your ISA or Investment Fund as a medium to long-term investment, which means it should usually be held for at least five years, although there is no fixed term.

Risks

What you get back depends on investment performance and our deductions. The value of your investment and any income from it can go down as well as up and you may get back less than you invested. There is no guaranteed value.

You may get back less than you invested because:

- capital growth could be lower than shown in the illustration
- withdrawals from your ISA or Investment Fund could use up some of your capital
- withdrawals from your ISA or Investment Fund could be greater than the capital growth of your investment
- you do not maintain your regular payments
- charges could go up.

Withdrawals from your ISA or Investment Fund may be subject to tax.

Your ISA or Investment Fund invests in a range of Funds, which have different levels of risk.

Some Funds include overseas investments whose sterling value may be affected by movements in currency exchange rates.

If you cancel during the 30 day cancellation period, we will give you back the value of your investment at the time we receive your cancellation instructions plus a refund of any initial charges and commission which may have been deducted. This may be less than you originally invested.

Key features

An investment company may be set up with a single fund. It may also be set up with a number of different funds (in which case it is known as an umbrella company). If the liabilities of a fund in an umbrella company cannot be met out of the assets of that fund, these liabilities may have to be met out of other funds within the umbrella company. This means the fund you invest in may be worth less if it has to transfer money to another fund.

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.

Inflation may reduce the buying power of your investment and income.

Some investments in certain overseas markets or the smaller companies sector may be subject to increased risk and volatility. This is because the share prices of smaller companies and certain overseas companies tend to change more rapidly (up and down) than larger companies based in the UK.

There may be additional charges if you choose to fully or partially cash in your ISA or Investment Fund, dependent on how your Financial Adviser has been remunerated. Please see the 'Charges for your financial adviser's commission' section of the Terms & Conditions.

The value to you of current tax relief depends upon your own personal financial circumstances which may change in future.

Tax law and HM Revenue & Customs practice may change in the future to reduce the current favourable tax treatment of ISAs.

Questions & Answers

What is an Open-Ended Investment Company (OEIC)?

An OEIC is an open-ended investment company with one or more funds in which you can buy shares. Within each fund, investors' money is pooled to purchase a range of shares, bonds and other securities typically listed on a stock exchange.

What is a Unit Trust?

It is similar to an OEIC except you buy units rather than shares. Where we mention 'fund' this also refers to unit trusts, and where we mention 'units' this also refers to shares.

What is an ISA?

ISAs are tax-efficient savings vehicles that allow you to invest in one or more of the Funds available through Standard Life.

They are available for investment by lump sums or regular monthly payments within limits set by the Government.

There are two types of ISA: Stocks and Shares ISAs and Cash ISAs. This Key Features Document gives details of the Stocks and Shares ISA.

If you are under age 50 for the whole period of the 2009/10 Tax Year:

- You can invest a maximum of £7,200 in a Stocks and Shares ISA. You can invest a maximum of £3,600 in a Cash ISA.
- The overall limit you can invest in an ISA for the 2009/10 Tax Year is £7,200. So if you put £3,600 in a Cash ISA, the most you could put in a Stocks and Shares ISA would also be £3,600.

As a result of increased limits effective from 6th October 2009, if you are aged 50 or over at any time during the 2009/10 Tax Year:

- You can invest a maximum of £10,200 in a Stocks and Shares ISA. You can invest a maximum of £5,100 in a Cash ISA.
- The overall limit you can invest in an ISA for the 2009/10 Tax Year is £10,200. So if you put £5,100 in a Cash ISA, the most you could put in a Stocks and Shares ISA would also be £5,100.

From 6th April 2010, the increased limits described above apply to all eligible ISA investors, over the age of 18.

What type of investment can I have?

You can invest in one or more mutual funds. These can be either Unit Trusts or Open Ended Investment Companies (OEICs).

Can I invest in an ISA or Investment Fund?

The minimum age for taking out an ISA or an Investment Fund is 18 years old. There is no maximum age at entry.

You have to be a UK resident, a Crown employee serving overseas, or the spouse or civil partner of a Crown employee serving overseas to make an investment in an ISA.

How flexible is my investment?

Putting money in

You can make lump-sum or regular payments or both. You can start, stop or vary your regular payments at any time. Payments are usually payable by direct debit or cheque. Cheques should be made payable to Standard Life Savings Limited. Regular payments are collected by direct debit on the date and frequency chosen. There may be minimum investment amounts for funds. Your financial adviser can tell you what these are.

You can ask us to transfer an ISA with another ISA Manager to our ISA without any loss of tax status, as long as you stay within the overall yearly limit that applies (see 'What is an ISA?' on page 3 for more information on limits). You must transfer the current year's payments in full.

A Cash ISA can be transferred into a Stocks and Shares ISA, but a Stocks and Shares ISA can't be transferred into a Cash ISA.

You must transfer the current year's ISA payments in full. We can accept transfers in cash or in specie.

In specie is where an asset is currently registered to one person or nominee and the registrars are notified that it is now to be registered to another person or nominee. Investments are transferred without converting to cash. Where the transfer is in cash you will be charged any initial or other charges applicable to your chosen fund.

Income from your investment

You will be able to choose to have income from your investment:

- paid into your ISA or Investment Fund and then automatically reinvested to buy more Units
- paid out to your Nominated Account
- paid to your Supermarket Cash Account

The timing of income payments will be in accordance with your instructions.

Taking money out

You can take money out at any time but this will reduce the value of your ISA or Investment Fund.

You can make regular withdrawals, one-off withdrawals or fully cash in your ISA or Investment Fund.

We can set up regular withdrawals to be every:

- month
- 3 months
- 6 months
- year.

Minimum regular withdrawals of either £25 or 0.5% (provided that this % equates to a minimum of £25), apply to some funds. Your financial adviser can tell you what these are. There must be a minimum of £500 within the contract to allow regular withdrawals to be paid. You can also make one-off withdrawals, minimum amount of £500. Withdrawal payments will be made direct to your Nominated Account.

Where an ISA transfer is in cash and you are temporarily not invested, there is a potential for loss of income or growth until any transfer is finalised.

Once money has been taken out of your ISA investment, you can't re-invest in the ISA if you've already made the maximum investment allowed in the current tax year.

You must keep at least £250 invested in your ISA if you wish it to stay open.

If the value of your ISA falls below £250, your investment will be automatically cancelled and the money returned to you.

If Funded Initial Commission and/or Funded Initial Charge are selected and you cash in all or part of your ISA or Investment Fund (within the first 6 years) an Additional Charge may apply. This is explained in more detail on page 6.

Key features

What might I get back?

The amount you get back is not guaranteed and will depend on several factors, such as:

- how much you invested
- the length of time you invested for
- the performance of the Funds you have chosen
- how much our charges are
- the amount of any regular or one-off withdrawals you have taken.

The value of your investment will change regularly.

When you cash in your investment, we will pay you the value less any 'Outstanding Funded Initial Commission Charge' or any 'Outstanding Funded Initial Charge' we may have recovered.

Funds will be sold, and the value of your investment calculated at the first Pricing Point following the encashment. A pricing point is a set time and price when an investment is sold. Each fund manager sets a pricing point at different times of the day.

Where are my payments invested?

We offer a wide range of Funds so that you can choose those which best meet your needs. Your payment is used to buy Units as instructed by you and these are held in the name of our Nominee Company.

You can invest in any number of Funds at any one time.

You can switch between Funds at any time but there is a charge for switching Funds. To find out what conditions are applicable to your investment you would need to speak to your Financial Adviser.

What happens to my investment if I die?

Once we have received all the necessary details from your personal legal representatives, we will calculate the final value of your investment and transfer the proceeds to them. Alternatively, where permitted, we can register your investment in the name of a new holder.

We hold any income generated after your death until we receive all the necessary details.

On death your ISA will stop qualifying for the relevant tax advantages. The Units will continue to be held and their value may rise or fall from day to day. If you were not entitled to any tax credits we have already allocated to your account, these may be recovered.

What are the charges?

The illustrations on pages 9 and 10 show examples of the charges that apply and the effect they could have on reducing the value of your investment over time. These charges will affect the value of your ISA or Investment Fund. Charges under your ISA or Investment Fund can vary depending on the Funds you hold.

We can increase the charges we make. We may do so in the future if our costs are higher than originally expected. This might happen if, for example:

- tax rules change
- our staff or overhead costs are more than we expected
- our income from charges is less than we expected.

The type of charges that apply to Funds are set out below.

Fund-Related Charges

Most Funds have an **initial charge** deducted from the amount that you invest. For further information on these charges, please contact your Financial Adviser.

The Manager takes an **Annual Management Charge** from the value of the fund which is for the management of your Units and may cover some or all of their administration costs.

This is a daily charge which will differ depending on the Fund you choose. Please speak to your Financial Adviser for details of this charge.

Standard Life receive a **distribution fee** from the Fund Managers who provide the funds that you buy and sell.

Standard Life use this payment to help cover running costs. It forms part of the Annual Management Charge deducted by the Fund Manager.

The net fee received by Standard Life is around 0.25%. This does not affect the total amount you pay as your Annual Management Charge. Further details regarding the distribution fee are available from your Financial Adviser.

Additional fund manager expenses may apply on a fund by fund basis. For more details on additional expenses, you should speak to your Financial Adviser.

A Manager may make a **dilution levy charge** when you put money in or take money out. This only applies to Funds which are single priced and a description of how this operates can be found in the 'Charges' section of the Terms & Conditions.

Regulations require a **Stamp Duty Reserve Tax** charge for certain redemptions and sales within funds with equity investments. Please see the 'Taxation' section of the Terms & Conditions for further details.

Charges are regularly reviewed and may change. Please contact your Financial Adviser for details of charges relating to specific funds.

Further information about funds available through the ISA and Investment Fund is set out in the prospectus for the relevant fund. For a copy, please contact your Financial Adviser.

For a copy of the latest Reports and Accounts for any Fund, please contact your Financial Adviser.

Additional Charge for Funded Initial Charge
If you agree with your Financial Adviser to take a Funded Initial Charge to help eliminate the Initial Charge, we will deduct an Additional Charge of 0.2% a year for every 1% of Initial Charge that is eliminated.

This percentage charge applies to the greater of the initial investment or the current value of the investment, whichever is higher. The Additional Charge will only apply for 6 years from the start of an investment.

Outstanding Additional Charge for Funded Initial Charge

If you cash in your ISA or Investment Fund by making a full withdrawal within the 'charging period' (up to a maximum of 6 years from the start of your investment), you will be charged the remaining Additional Charge which applies to your ISA or Investment Fund.

Switching charge

There may be a charge if you switch units. Details of charges that will apply will be confirmed in your contract note. Contract notes are usually issued within 48 hours of your payment. Contract notes detail the funds you have bought, the number of units and the price as well as the charges.

Charges for commission

We may need to make deductions to take account of the type of commission paid to your Financial Adviser, if you have appointed one. These charges are as follows:

Additional Charge For Funded Initial Commission

If you agree with your Financial Adviser to pay them Funded Initial Commission, we will deduct an Additional Charge of 0.2% a year for every 1% of commission we pay on the investment. This percentage charge applies to the greater of the initial investment or the current value of the investment, whichever is higher.

The Additional Charge will only apply for 6 years from the start of an investment. Please note, if Initial Commission is also paid on an investment then this Additional Charge may increase.

Outstanding Additional Charge for Funded Initial Commission

If you cash in your ISA or Investment Fund by making a full withdrawal within the 'charging period' (up to a maximum of 6 years from the start of your investment), you will be charged the remaining Additional Charge which applies to your ISA or Investment Fund.

Your Financial Adviser can take a combination of Initial Commission, Funded Initial Commission and Renewal Commission. If you require any further information, please speak to your Financial Adviser.

Renewal Commission

If your Financial Adviser takes standard Renewal Commission, it will be paid from the Annual Management Charge of the Fund. Your Financial Adviser will be able to provide you with further details.

If you agree with your Financial Adviser to take Additional Renewal Commission, it will be charged on an ongoing basis, i.e. each 0.1% of additional renewal commission results in a 0.1% ongoing charge.

Adviser Support

Standard Life may provide advisers with benefits and services (e.g. training events, seminars and technical support) to help enhance the quality of the service they are able to provide to clients. If you require specific details of any benefits and services that we have provided to your adviser, please contact them.

Key features

What about tax?

Tax on ISAs

All ISA earnings, whether derived from income or capital growth or both, are exempt from UK personal Income Tax and Capital Gains Tax. You need not declare any income or capital gains to HM Revenue & Customs on your tax return.

Income from your ISA will either be credited to your ISA gross or we will reclaim any tax that has been deducted and credit it to your ISA when we receive it from HM Revenue & Customs.

Tax law and HM Revenue & Customs practice may change in the future to reduce the current favourable tax treatment of ISAs.

Tax on Funds

Income from Funds which are paid as a dividend will be received net of tax with an associated tax credit. It is not possible to reclaim that tax credit.

Tax is deducted before any income is paid to you or the income is automatically re-invested. Your liability to tax depends on your own personal circumstances.

If your investment makes interest payments, and if the 20% rate at which tax is deducted from your interest payments is higher than your personal Income Tax rate, then you may claim the difference from HM Revenue & Customs.

Dividend payments carry a tax credit, and, if your highest personal tax rate on income is the basic rate, you will have no further tax to pay on them. Nil-rate taxpayers cannot recover tax credits.

Higher-rate taxpayers will have further Income Tax to pay.

You may have a personal liability to Capital Gains Tax when you cash in part or all of your investment within your Investment Fund.

General

On your death the money in your investment will form part of your estate and may be liable for Inheritance Tax.

Tax and legislation are likely to change. The information given here is based on our understanding of law and HM Revenue & Customs practice at the date of publication.

If you have any doubt over the tax treatment of either ISAs or Funds, in the first instance you should speak to your Financial Adviser.

Can I change my mind?

You have a legal right to cancel your investment if you change your mind. You have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date your money is invested. During this period, if you decide you want to cancel, you should write to us at the address shown in the "How to contact us" section, instructing us to cancel the investment. Please make sure that you include your account number in any correspondence with us.

If you cancel during the 30 day period, you may get back less than you paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received your payment and the date we received your instruction to cancel.

If you decide to cancel, and we have already received payment, we will refund the payment to the person who made it.

At the end of the 30 day period you will be bound by the terms and conditions of the investment and any money received by Standard Life will not be refundable under the cancellation rule.

Please note, for regular payments, it is only the initial payment that you choose to make that will have cancellation rights. If you decide to increase the level of regular payments in the future, cancellation rights will not apply.

If you cancel your ISA within the cancellation period, you will be regarded as not having taken out an ISA, so you can apply for another ISA in the current tax year.

How will I know how my investment is doing?

We will send you a statement twice a year in April and October giving the value of your ISA or Investment Fund.

You can contact your Financial Adviser who will be able to update you.

We will register you for our online service and send you a user ID and password so that you can check your account details on our website: www.standardlife.co.uk

How to contact us

Remember if you are using the services of a Financial Adviser they will be your first point of contact. If you have any queries regarding your ISA or Investment Fund please contact your Financial Adviser.

If you have any questions or would like to make any changes to your ISA or Investment Fund, you can phone us. We may record/monitor calls to help improve our service.

Call us on 0845 279 2002 (call charges may vary). Please have your account number ready when calling (it begins with SP).

Write to us at:

Standard Life
FundZone Customer Centre
Dundas House
20 Brandon Street
Edinburgh
EH3 5PP
United Kingdom

Email us at: fundzone_servicing@standardlife.com

There is no guarantee that any email sent will be received or will not have been tampered with or intercepted during transmission. You may prefer to contact us by telephone or in writing.

What might I get back?

The following tables show the effect of charges and expenses on what you might get back from various investment amounts in an ISA or Investment Fund. These figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on the investment.

What are the charges?

Projections based on £7,200.

Pages 9 and 10 give examples.

A typical growth Fund investing in equities

Lump Sum Investment	£7,200
Regular Monthly Investment	£100
Initial Charge	4.00%
Total Expense Ratio	1.54%

The Total Expense Ratio (TER) provides a clearer picture of the total annual costs involved in running a fund. The TER consists principally of the manager's annual charge, but also includes those additional costs for other services paid for by the fund, such as fees paid to the trustee (or depositary), custodian, auditors and registrar.

Key features

ISA investment

How will the charges and expenses affect my investment?

At end of year	Investment to date		Effect of deductions to date		What might you get back at 7%	
	Lump sum investment	Regular monthly investment	Lump sum investment	Regular monthly investment	Lump sum investment	Regular monthly investment
	£7,200	£100	£7,200	£100	£7,200	£100
1	£7,200	£1,200	£410	£58	£7,290	£1,180
3	£7,200	£3,600	£722	£247	£8,090	£3,750
5	£7,200	£6,000	£1,100	£552	£8,990	£6,600
10	£7,200	£12,000	£2,480	£2,010	£11,600	£15,100

In the **Effect of deductions to date** column the last line shows that over 10 years the effect of the total charges and expenses could amount to £2,480 for lump sum and £2,010 for regular monthly investment.

Putting it another way, this would have the same effect as bringing the investment growth from 7.0% a year down to 5.0% a year for lump sum investments and 4.6% for regular monthly investments.

The following table shows the effect of charges on investment growth if you cash in at 3, 5 and 10 years.

If you cash in at end of year	Charges will reduce investment growth to that date (lump sum)	Charges will reduce investment growth to that date (regular)
3	From 7.0% to 4.0%	From 7.0% to 2.7%
5	From 7.0% to 4.5%	From 7.0% to 3.8%
10	From 7.0% to 5.0%	From 7.0% to 4.6%

Investment Funds

How will the charges and expenses affect my investment?

At end of year	Investment to date		Effect of deductions to date		What might you get back at 6%	
	Lump sum investment £10,000	Regular monthly investment £100	Lump sum investment £10,000	Regular monthly investment £100	Lump sum investment £10,000	Regular monthly investment £100
1	£10,000	£1,200	£563	£58	£10,000	£1,180
3	£10,000	£3,600	£975	£243	£10,900	£3,700
5	£10,000	£6,000	£1,460	£537	£11,900	£6,440
10	£10,000	£12,000	£3,140	£1,890	£14,700	£14,400

In the **Effect of deductions to date** column the last line shows that over 10 years the effect of the total charges and expenses could amount to £3,140 for lump sum and £1,890 for regular monthly investment.

Putting it another way, this would have the same effect as bringing the investment growth from 6.0% a year down to 4.0% a year for lump sum investments and to 3.6% for regular monthly investments.

If you cash in at end of year	Charges will reduce investment growth to that date (lump sum)	Charges will reduce investment growth to that date (regular)
3	From 6.0% to 3.0%	From 6.0% to 1.8%
5	From 6.0% to 3.6%	From 6.0% to 2.9%
10	From 6.0% to 4.0%	From 6.0% to 3.6%

The above table shows the effect of charges on investment growth if you cash in at 3, 5 and 10 years.

Key features

Other Information

If you need to complain

We can send you a leaflet summarising our complaint-handling procedures, on request.

If you ever need to complain, first write to us at the address shown on page 9. If you are not satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 080 1800
(Call charges may vary).
Switchboard: (020) 7964 1000
Fax: (020) 7964 1001

Website: www.financial-ombudsman.org.uk

Email:
complaint.info@financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

If you wish to contact the Financial Services Authority their address is:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Terms & Conditions

This Key Features Document gives a summary of the ISA and Investment Fund. Please contact your Financial Adviser for full details.

We have the right to change the Terms and Conditions at any time. We will give you three months' written notice of any changes that may materially affect you, unless such changes are required by a change to the law or regulatory rules.

Law

The law of Scotland will decide any legal dispute. Acceptance of the Terms and Conditions therefore acknowledges the exclusive jurisdiction of the Scottish Courts for any dispute that may arise in the future.

The English language will be used in all documents and future correspondence.

Compensation

Unless expressly agreed in writing between us otherwise, we will treat you as a retail client under FSA rules. Being a retail client does not necessarily mean you will be eligible to refer any complaints about us to the Financial Ombudsman Service or be entitled to compensation under the Financial Services Compensation Scheme.

The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information contact us on 0845 60 60 002 (call charges may vary).

The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim. For investment claims, the limit is £48,000, (100% of the first £30,000 and 90% of the next £20,000), per investor, per firm. Further information is available from the FSCS website at www.fscs.org.uk

About Standard Life

Standard Life Assurance Limited's product range includes pensions and investments.

Standard Life Assurance Limited is on the Financial Services Authority Register. The registration number is 439567.

Standard Life Savings Limited is a wholly-owned subsidiary of Standard Life Assurance Limited. Standard Life Savings Limited is on the Financial Services Authority Register. The Registration number is 188796. Standard Life Savings Limited is the ISA Manager for Standard Life Assurance Limited.

The Head Office of Standard Life Savings is at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

Pensions
Savings
Investments
Healthcare
Insurance

Speak soon.

For more information on the products in this booklet or if there is anything more about Standard Life we can help you with, please call us on this number (call charges may vary) or go to the website below:

0845 279 2002

www.standardlife.co.uk

Products provided by subsidiaries of Standard Life plc or other specified providers.