

Retail Pension (One) Fund

Lifestyle profiles



Pension plan investments require regular updating to make sure that they continue to meet your changing needs. Standard Life's Lifestyle Profiles allow you to pick an investment strategy for your pension when you first set it up.

Lifestyle Profiles are an option that automatically change the funds you are invested in depending on the length of time until your selected retirement date. As you get closer to retirement, they move the emphasis away from growth funds to funds that prepare your pension investments for your pension benefits at your selected retirement date.

This aims to align your pension funds with your plans for retirement and reduce the effect on your fund of changes in the value of investment markets. Such changes could affect the level of retirement benefits your investments can achieve when you come to retire.

Please note that these profiles may not be suitable for everyone (e.g. it may not be suitable for customers who aren't considering annuity purchase, or those who intend to buy a pension that increases each year at a rate linked with inflation, or those who do not intend to retire at their selected retirement age).

Investing in the Lifestyle Profile option also limits your other fund choice to a with profits fund. Please refer to the booklet 'Your pension investment choices' for details on the with profits fund applicable to your plan. You should also note that a with profits option is not available with the Group Flexible Retirement Plan and the Group Self Invested Personal Pension. It is not possible to select more than one Lifestyle Profile at a time.

The alteration to your investment fund mix takes place automatically during the 10 years prior to your selected retirement age.

Choosing your pension fund

We believe that this decision should be reached after considering the following:

- its potential to provide investment growth
- whether the level of risk is acceptable to you.

However, most people's idea of 'an acceptable level of risk' changes as they approach retirement:

- if you have many years left before retirement you may be more willing to accept a higher level of risk if there are prospects for greater growth
- as you approach retirement your aim may be to align your pension fund with your plans and reduce the effect on your fund of changes in the value of investment markets.

Funds with higher growth potential are usually more volatile funds. This means that the fund price may vary more than for those of lower volatility. Typically, the higher the volatility rating, the greater the potential investment returns over the long term. However, higher volatility funds can suddenly drop in value. Please be aware that lower volatility funds also have growth potential, though it will usually be lower than for higher volatility funds.

All funds are subject to risk and the value of units in funds can go down as well as up. So you may get back less than you pay in. The return on your investment in whichever funds you choose is directly related to the performance of the assets in which the funds are invested. A proportion of each fund may be held in cash or other money market instruments. The sterling value of overseas assets in these funds may rise and fall as a result of changes in the exchange rate. The funds may use derivatives for the purposes of efficient portfolio management or to meet their investment objectives.

Different profiles for different people

It is clear that as you approach retirement the general trend is to move from seeking growth to trying to protect your pension investment. However, we understand that people often have very different views on risk and investment.

Before making this choice you need to be aware of the risks and commitment involved. Details are available in your Key Features Document.

Volatility

The volatility rating of an investment-linked fund is an indicator of how much the fund price might vary relative to other funds. 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're comfortable taking with your investments.



Profiles	Volatility	Fund code
Cautious	3	2CAU
Balanced	4	2BAL
Cautious II	3	4CAU
Balanced II	4	4BAL
Global Equity II	6	5GLO
BGI Global Equity 50:50 Index II	5	7BGI

We allocate ratings using the judgement of our experts taking into account data on:

- how the fund price has varied from month to month in the past, relative to other funds available
- 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 returns over the longer term. However, high volatility funds can suddenly fall and rise in value. The volatility rating is not the only factor you should consider when selecting a fund. If you are unsure of which funds to choose you may wish to seek advice from a financial adviser.

How Lifestyle Profiles work

The following graphs show how your pension payments will be invested depending on your chosen profile.

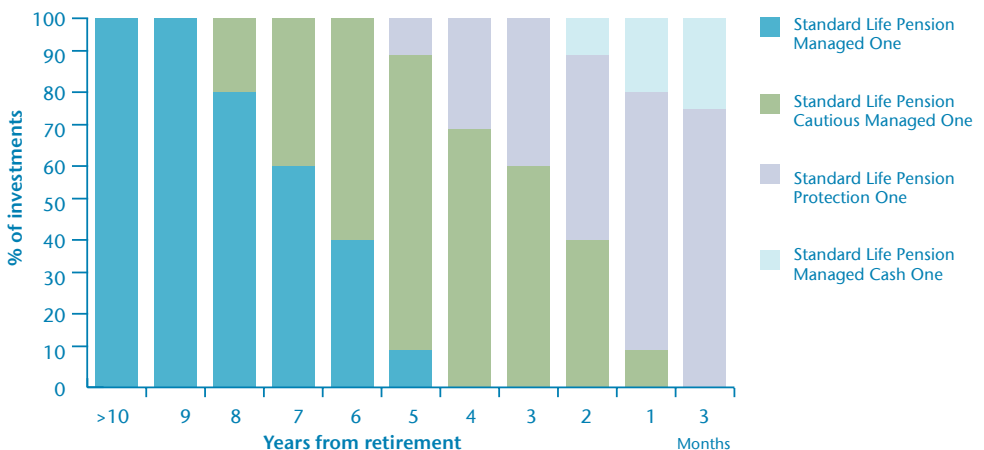
We have two sets of profiles, one for Group AVC Contracts and another set for other pension contracts. They are very similar, but the Cautious and Balanced Profiles for Group AVC contracts are not invested in the Standard Life Pension Managed Cash One Fund.

Profiles for use with contracts except Group AVC

Cautious II Profile

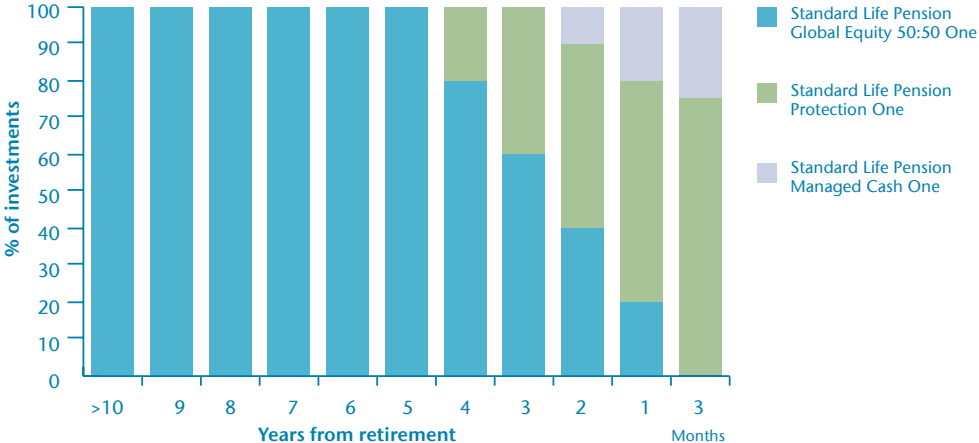


Balanced II Profile

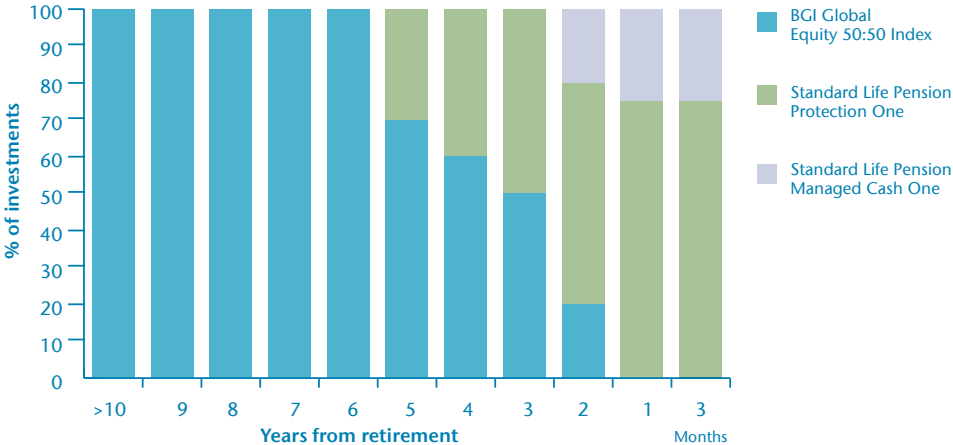


Lifestyle profiles
Retail Pension (One) Fund

Global Equity II Profile

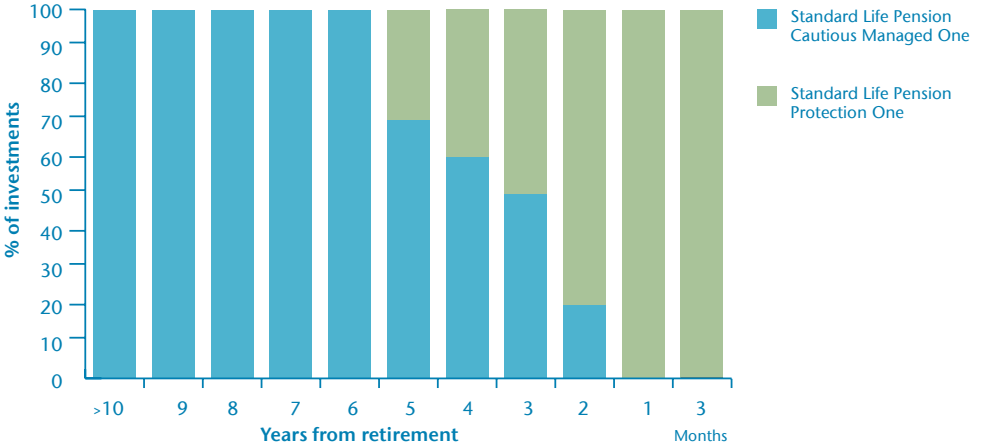


BGI Global Equity 50:50 Index II Profile



Profiles for use with Group AVC contracts only

Cautious Profile (2CAU)

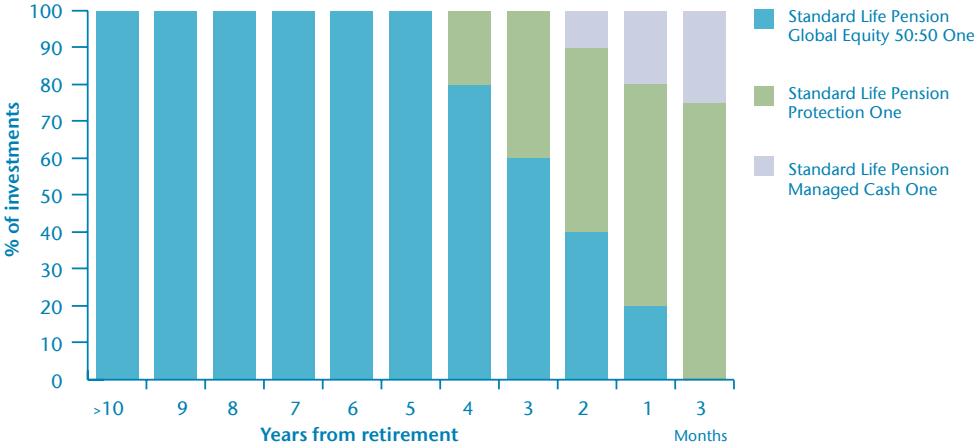


Balanced Profile (2BAL)

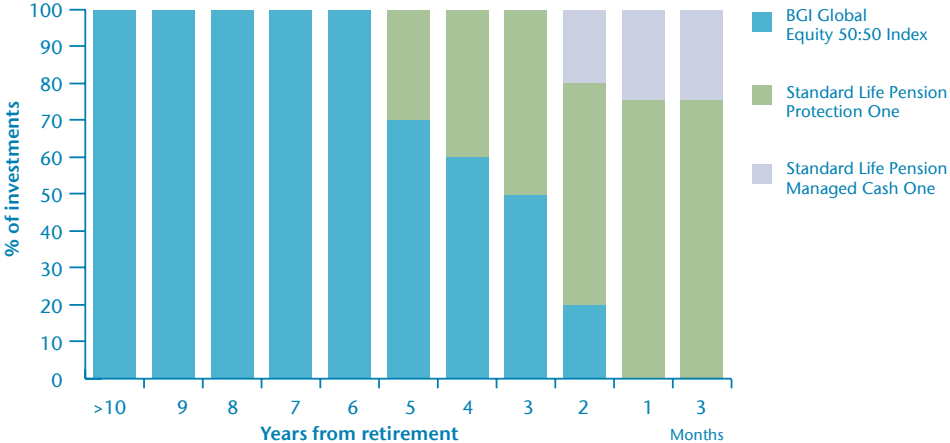


Lifestyle profiles
Retail Pension (One) Fund

Global Equity II Profile



BGI Global Equity 50:50 Index II Profile



Lifestyle profiles

Retail Pension (One) Fund

As you get closer to retirement, they move the emphasis away from growth funds to funds that prepare your pension investments for your pension benefits at your selected retirement date. For the Cautious and Balanced Profiles your investment is moved into the Standard Life Pension Protection One Fund. For the Global Equity and BGI Global Equity 50:50 Index Profiles your investment is moved into a combination of the Standard Life Pension Protection One Fund and the Standard Life Pension Managed Cash One Fund.

The sterling value of overseas assets in these funds may also rise and fall as a result of exchange rate fluctuations.

Some of the funds described on the next page invest in underlying funds managed by fund managers other than Standard Life Investments. Where you choose to invest in one or more of these funds you should note that the fund descriptions are provided to Standard Life by the external fund manager. Standard Life cannot guarantee the accuracy of this information.

It should also be noted that the investment performance you will experience from investing in the Standard Life version of the fund will vary from the investment performance you would experience from investing in the underlying fund directly. This will be as a result of a number of differences, such as charges, tax and timing of investment.

The fund descriptions may contain terminology you are not familiar with. Please contact your financial adviser if you need an explanation of the terms used.

Lifestyle profiles

Retail Pension (One) Fund

Standard Life Pension Cautious Managed One Fund

This fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, fixed interest and property) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. It aims to be less volatile than the Standard Life Managed One Fund, investing a higher proportion in assets that are traditionally less volatile (such as fixed interest assets). The fund is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

Standard Life Pension Managed One Fund

This fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, fixed interest and property) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. The fund is predominantly equity based (with a bias towards the UK) and is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

Standard Life Pension Global Equity 50:50 One Fund

This fund aims to provide long term growth by investing in a portfolio of UK and overseas equity assets. The proportions held in each component are decided after reviewing the prospects for each market and will vary from time to time around the long term strategic asset allocation of 50% in UK equities and 50% in overseas equities. Both the UK and overseas components are actively managed by our investment team to try to take advantage of opportunities they have identified.

BGI Global Equity 50:50 Index Fund

This fund invests primarily in equities, both in the UK and overseas markets. The Fund has approximately 50% invested in the shares of UK companies. The remaining 50% is invested in overseas companies split equally between the US, Europe ex-UK and the Far East. The Fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.

Standard Life Pension Managed Cash One Fund

The fund aims to provide a return before charges equivalent to overnight deposits by investing in deposits and short term money market instruments.

The fund price is not guaranteed by Standard Life and there could be circumstances where the fund price may fall. A fall might happen if, for example, there is a default by one of the banks where some of the money is held or where there is an adverse market movement in the value of some of the money market instruments held. A fall may also happen if interest income falls so low as to be less than the charges applied to the fund.

Standard Life Pension Protection One Fund

This fund has a very different aim from most other investment-linked funds. It is designed for investors approaching retirement and considering annuity purchase. It aims to reduce the effect of changes in long term interest rates on the value of pension income the fund can purchase. Long term interest rates are one of the main factors affecting the cost of an annuity. The fund invests predominantly in fixed interest assets whose prices are normally expected to rise and fall broadly in line with the cost of purchasing pension income. The fund does not provide any guarantee in relation to the level of pension income you will be able to purchase at retirement. It also does not protect against changes in the cost of purchasing an annuity that arise due to changes in life expectancy.

Lifestyle profiles
Retail Pension (One) Fund

Please note that this fund may not be suitable for everyone (e.g. it may not be suitable for a customer who is not considering annuity purchase or for those who intend to buy a pension that increases each year at a rate linked with inflation).

The investment strategy of these funds is continuously reviewed and may be changed in line with developments in the relevant markets.

Further information

For more information on the funds included in the charts, please refer to the booklet 'Your pension investment choices' in your joining pack.