

Self Invested Personal Pension Commercial Property

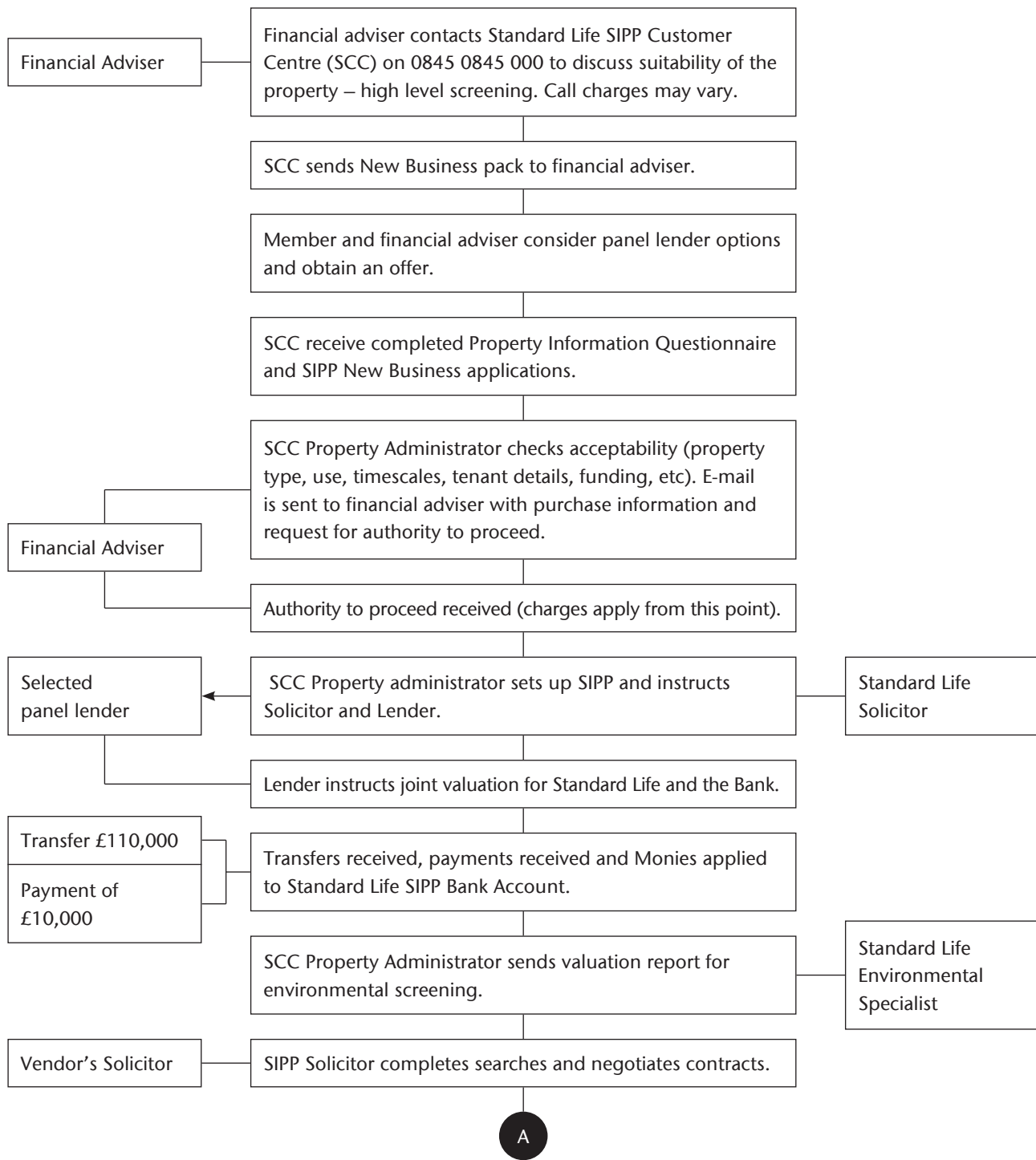


This document is intended for qualified financial advisers only and must not be relied upon by anyone else

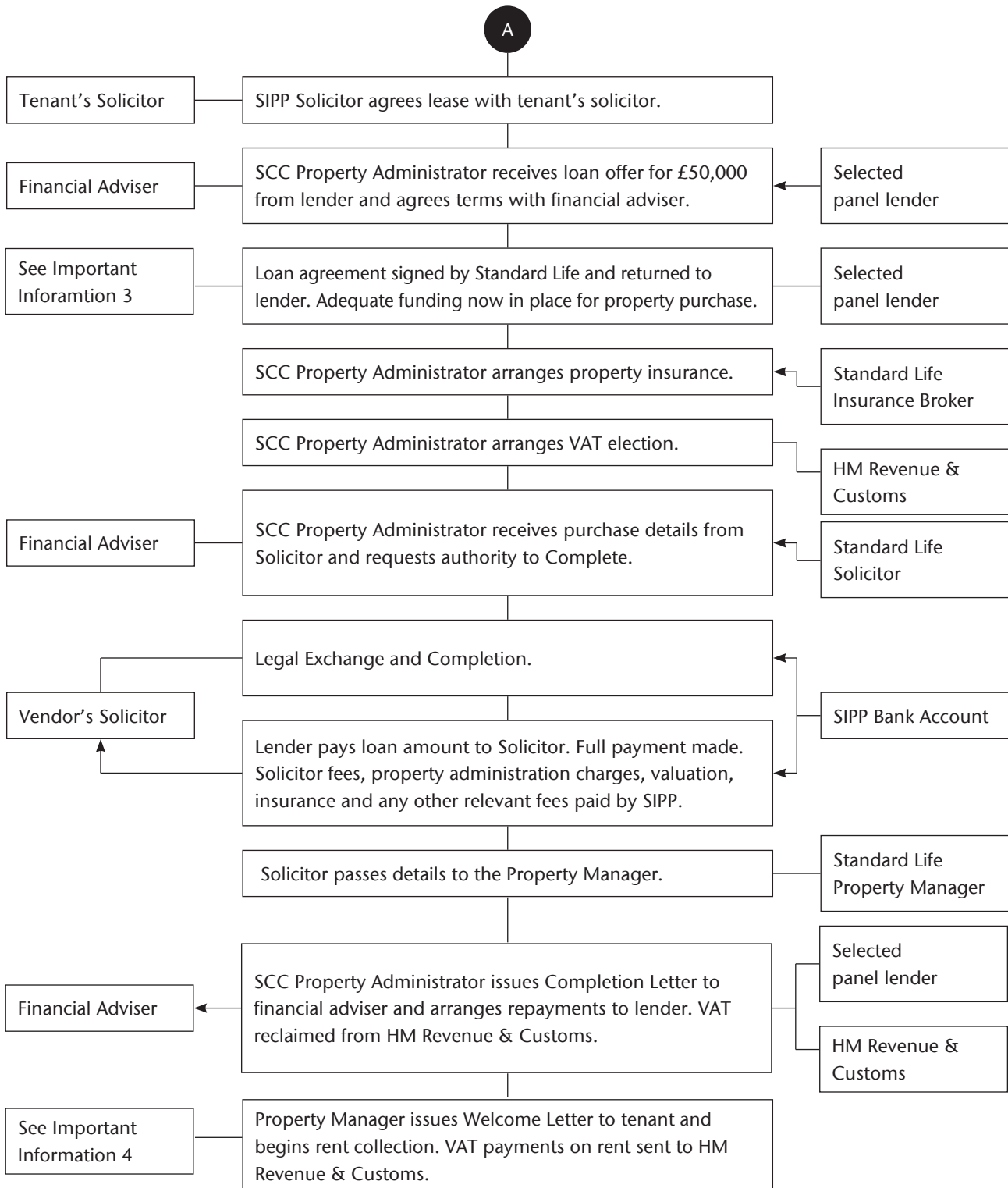
Example of property purchase process

Mr Black runs a sports and outdoor activities shop in the Lake District. He has the opportunity to purchase new premises valued at £130,000 plus VAT, which his financial adviser recommended purchasing through a Standard Life Self Invested Personal Pension (SIPP). A mortgage will be required. This is an outline of the property purchase process. Any notes referred to can be found in Important Information on page 4.

Example of property purchase process
 (see important information 1 & 2)



Example of property purchase process
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Property manager (see important information 4)

At completion, the Property Manager will:

- issue a Welcome Letter to the tenant along with an invoice for rent and insurance.
- collect rent and insurance payments from tenant and pass both payments on to the SIPP.
- inspect the property within six months, and every 18 months thereafter.
- rent review as required.
- lease renewal as required.
- process tenant's applications for consent to alter, change of use, sub-let, etc.

Important information

1. The process steps and the order in which they occur may vary from case to case. Some steps may be carried out simultaneously.
2. The example of property purchase process differs slightly according to jurisdiction; England & Wales, Scotland or Northern Ireland. The example outlines the process for England & Wales; however the process for Scotland and Northern Ireland will be similar in many respects to that outlined above.
3. Funds have to be sufficient to cover VAT, Stamp Duty Land Tax (SDLT), legal fees, insurance, Standard Life fees, mortgage arrangement fees and any other costs the SIPP incurs whilst leaving a healthy balance in the cash account (usually equivalent of three months loan payments).
Transfers + payments + mortgage = £170,000 which is sufficient to cover the purchase price, VAT, SDLT, fees, etc and leave a cash balance.

It is the SIPP member's responsibility to ensure that enough money is in place to cover the total cost of the purchase. Failure to do so will prevent the purchase proceeding.
4. Standard Life's Property Managers provide all the necessary core services from rent and insurance collection to regular inspections. They will additionally be used by customers for rent reviews, lease renewals and other events.
5. Persons and businesses referred to in this leaflet are fictitious and are not intended to represent any real businesses or persons.
6. No guarantees are given regarding the effectiveness of any arrangements entered into on the basis of this example. The information presented is correct as at June 2009.

For more information about the Standard Life SIPP, please call 0845 0845 000. Call charges may vary.