A tax-efficient way to re-invest your maturing plan

Maturity Investment Option

STANDARD LIFE

Hello.

Now that your plan is maturing, you have plenty of exciting new opportunities when it comes to re-investing. When you're thinking about what to do next with your money, one of the choices you might want to consider is the Maturity Investment Option (MIO). The MIO is a one-off opportunity to re-invest some or all of your proceeds in a tax-efficient Investment Bond.

The MIO gives you flexible options for your money. There's no fixed term so you can keep your money invested for as long as you want. You can also make withdrawals when you want. Whatever your investment goals, you could use the MIO to help you reach them.

The MIO is an exclusive option and is only available to some customers with maturing plans. Please be aware that you can only take advantage of this offer before your current plan matures so make sure you inform us before your maturity date.

By using the MIO, you are converting your current plan to an investment-linked policy. For a premium of £5 a year, any gains from your investment will be free of tax even if you are a higher rate taxpayer. See page 4 for more details on what happens to your money.

We recommend that you take advice from a financial adviser before making a decision. There may be a cost associated with this.

What happens to your money?

When you re-invest in the new bond, your plan will be changed to an investment-linked bond with no fixed term.

If you die, we'll pay the higher of either your fund value or a nominal amount of £250. The amount you get back will depend on several factors such as how much you invest, how long you invest for, the performance of the funds you choose, our charges and the amount of any withdrawals you take. The return on your investment in investment-linked funds is directly related to the performance of the assets in which they invest after allowing for the charges on the fund. The value can go down as well as up. You may not get back as much as you invest.

How much can I invest?

The minimum investment is £1,500. You can invest all or part of your maturity proceeds as long as you meet this minimum. Make sure you're happy with the amount you choose to invest because once you've made the initial investment you can't make any further payments into this bond.

Commission

Where advice is received from a financial adviser we will pay them 1% of the investment amount. Where advice is received from a Standard Life representative they receive remuneration, benefits and services worth £161.20 assuming you leave £10,000 invested. This payment is not automatic – commission is only paid where advice is given.

The amount paid to your Standard Life representative depends on the amount invested. The actual amount paid is available on request. The commission is paid by us from the bond charges and not from your investment.

What are the benefits?

Tax advantages

For many people, the tax benefits are one of the biggest reasons to invest in this bond.

Whether you're a basic-rate or higher-rate taxpayer, by using the MIO you can:

- aim to grow your investment free from personal taxation on any gains made, providing you continue to pay the £5 a year premium. If you don't pay the premium then this could result in your bond's benefits being subject to tax.
- cash in your investment at any time and your money is available to you tax-free.

Although your benefits are paid to you tax-free, the funds you choose to invest in are subject to Corporation Tax. This tax applies to the income and gains within the fund and is taken into account when calculating the fund's unit price.

Tax and legislation are liable to change. The information we've provided here is based on our current understanding of UK law and HM Revenue & Customs practice.

Low charges

Another benefit of using the MIO are the low charges...

- ### Maintaining your tax-free status

  Cost: £5 a year

  Payment of this premium maintains the qualifying status of the plan which ensures the proceeds will not be subject to personal taxation on any gains made. The £5 premium is payable once a year on the anniversary date of your plan.

- **Switching funds**

  Cost: Free for the first 4 switches in any 12-month period. For any further switches, there is a charge of 0.5% of the amount switched (minimum £10, maximum £25).

  If you switch between funds in your bond, the above charge will apply. This is deducted by cancelling units in your bond.

- **Buying and selling units in a fund**

  Cost: 5% bid/offer spread

  This is partially offset against an enhanced allocation rate of 4.5% which we apply when you set up the bond.

  The bid/offer spread is the difference between the offer price (price at which units are bought) and the bid price (price at which units are sold) of the units in a fund.

  For example, if you invest £10,000, we will enhance the value of this investment by 4.5% (£10,450). We then apply the 5% bid/offer spread, which will reduce your actual investment amount to £9,927.50.

- **Fund Management Charge**

  This charge is made for the management of your investment(s) and/or for administration costs. The charge is taken from the investment(s) each day before the unit price is calculated.

The charges are not guaranteed. They are regularly reviewed and may be changed in line with developments in the relevant markets. Any increases in charges will not increase Standard Life's profit margins above reasonable levels.

Easy access to your money

Like many investors, you might enjoy having easy, regular access to your money. Thanks to the flexibility, you can use MIO if you want to take an income from your investment.

- If you need access to your money in the future, you can take a single withdrawal (minimum £125) from your investment.
- If you would like more frequent access to your money, you can choose to take regular withdrawals to suit your requirements from your investment (minimum £50).

Any withdrawals you make are tax-free. This is a big plus as you may have to pay tax on withdrawals on other similar investment products.

To take advantage of these tax-free withdrawals, you must always pay your £5 a year premium and have at least £300 in your bond.

Please note that making withdrawals could use up some or all of your capital.

You can keep your money invested for as long as you want

Unlike some other investment plans, your new bond has no maturity date – so you can keep your money invested for as long as you want. It's an easy, low-cost, flexible and tax-efficient way to make sure your money stays working hard for you.

Where you can invest your money

We offer a range of investment-linked funds which are shown in the table on page 10.

All funds are professionally managed and aim to maximise returns based on the level of risk and the underlying assets of the fund. Investing your money is always an exciting prospect. There are just a few points we need to make you aware of while you're thinking about which fund to invest in.

The value of investments can go down as well as up. You may not get back as much as you invest. Also, 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 may rise and fall as a result of changes in the exchange rate. Overseas assets are also affected by the economic and political situation in these countries. Before you invest in a fund, you should view the up-to-date version of our fund factsheet which contains more information on the fund and can be found on our website: **www.standardlife.co.uk/maturity**

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 units when you want to. In exceptional circumstances, it may take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.

When you do cash in your bond or switch funds we will use the unit prices that apply at that time. In order to maintain fairness between unitholders remaining in and those leaving a fund, we may in exceptional circumstances delay transferring or 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 6 months. The delay could be much longer if the fund is linked to an external fund manager and that fund allows a longer delay. If we delay the transfer or switch, we will use the unit prices that apply on the day on which the transfer or switch actually takes place.

As part of a fund manager's investment strategy we may lend some assets of our 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. As part of the management of a fund it is possible to 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. External fund managers may also lend assets and are responsible for their own controls.

Funds may be able to use derivatives for the purposes of efficient portfolio management and in some cases meeting their investment objective. A derivative is a financial instrument, the value of which is derived from the underlying value or movement in other assets, financial commodities or instruments, such as equities, bonds, interest rates etc. There is a risk that a counterparty will wholly or partially fail to honour their contractual obligations under the arrangement. Where a counterparty fails the fund could suffer a loss. As part of the management of a fund it is possible to use a number of controls, such as holding collateral and monitoring credit ratings, in order to reduce the impact of this risk. Depending on how they are used, a derivative can involve little financial outlay but result in large gains or losses. Standard Life has control over the use of derivatives in its funds and external fund managers are responsible for their own controls.

The volatility ratings for funds are kept under review and might be subject to change.

Additional expenses may be deducted from some investment-linked funds. They include items such as trustees', registrars', auditors', regulators' fees and where a fund invests in other underlying funds they may include their underlying management charges. The additional expenses relate to expenses incurred during the fund management process and as such they will regularly increase and decrease as a percentage of the fund, sometimes significantly. Where expenses arise within a fund they have been taken into account in the calculation of the price.

We continuously review the asset mix for each fund and we might change it in line with developments in the relevant markets. A proportion of each investment-linked fund may be held in cash and other money market instruments.

Fund type	Fund name	Volatility rating	Fund management charge	Additional expense
See Page 13	Standard Life Cautious Managed Life Fund	3	0.75%	0.04%
See Page 14	Standard Life Managed Life Fund	5	0.75%	0.09%
UK Equities	Standard Life UK Equity Life Fund	6	0.75%	0.10%
European Equities	Standard Life European Life Fund	6	0.75%	0.13%
North American Equities	Standard Life North American Life Fund	6	0.75%	0.11%
Far East Equities	Standard Life Japanese Life Fund	6	0.75%	0.13%
Far East Equities	Standard Life Pacific Basin Life Fund	7	0.75%	0.14%
Global Equities	Standard Life International Life Fund	6	0.75%	0.12%
Money Market Instruments (including cash)	Standard Life Sterling Life Fund	1	0.75%	0.02%
Bonds	Standard Life Fixed Interest Life Fund	2	0.75%	0.03%
Bonds	Standard Life Index Linked Life Fund	3	0.75%	0.03%
Property	Standard Life Property Life Fund	3	0.75%	0.03%
UK Equities	Standard Life Ethical Life Fund	7	0.75%	0.27%

All additional expense figures are rounded to 2 decimal places. An additional expense charge may apply but due to the fact that we have rounded to 2 decimal places they may show as 0.00%.

The charges are not guaranteed. They are regularly reviewed and may be changed in line with developments in the relevant markets. Any increases in charges will not increase Standard Life's profit margins above reasonable levels.

The ratings and charges in this guide are correct as at 6 November 2010. We will aim to review the information in this guide on a yearly basis.

What do the volatility ratings show?

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.

Less volatile	0	1	2	3	4	5	6	7	More volatile

We allocate ratings by 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 are more likely to suddenly fall or rise in value. The volatility ratings for funds are kept under review and may change. The volatility rating is not the only factor you should consider when selecting a fund. If you're not sure which funds to choose, we recommend that you get expert help from a financial adviser. If you no longer have a financial adviser, we're here to help. We have a dedicated team who can answer your questions and offer access to advice.

Asset Classes

An asset class is a specific category of assets or investments, such as equities, property, bonds or money market instruments (including cash). Assets within the same class generally exhibit similar characteristics. Please note that the value of investments in every asset class can fall as well as rise and is not guaranteed – you may get back less than you pay in. Past performance is not a reliable guide to future performance.

Equities

Equities (otherwise known as stocks or shares) represent part ownership in a company. The return received from equities is a combination of any dividend income and any changes in the capital value. Equities are one of the more volatile asset classes and can therefore suffer sudden sharp falls or rises. Equities can offer good growth potential over the longer term but may have a higher volatility than other asset classes.

Property

Property investments can either be direct (e.g. property or land) or indirect (e.g. shares in property companies or collective investment schemes). The return received from property is a combination of income from rent and any changes in the capital value of the property. The values of different types of property do not necessarily move in line with each other. For example, house values could be rising at the same time that the value of commercial properties is falling. The value of properties held in any property fund is generally a matter of the valuer’s opinion and not fact.

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.

Bonds

Bonds are loans to a government or a company for a set period of time. UK Government bonds are known as 'gilts'. Bonds from companies are known as corporate bonds. The return received from bonds is a combination of any interest received and any changes in the capital value. The value of a bond may fall if, for example, the company or government issuing the bond is unable to pay, or delays the payment of, interest when it is due, or is unable to pay back the loan amount when it is supposed to.

Money Market Instruments (including cash)

Money market instruments include not only bank and building society deposits but also a variety of other instruments, such as Certificates of Deposit and Floating Rate Notes. The return received from money market instruments is a combination of interest and any changes in the capital value. It is important to note that some of these assets are not the same as cash deposit accounts and there are circumstances where their values will fall.

Funds Available

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.

Standard Life Cautious Managed Life Fund

The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) 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 Life Fund, investing a higher proportion in assets that are traditionally less volatile (such as bonds). 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 Managed Life Fund

The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) 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 UK Equity Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to the UK equity market by investing in a diversified portfolio of UK equity assets. The fund invests predominantly in the shares of large and medium sized companies listed on the UK stock markets and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

Standard Life European Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to European equity markets, excluding the UK. The fund invests predominantly in the shares of companies listed on European stock markets and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

Standard Life North American Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to the North American equity markets. The fund invests predominantly in the shares of companies listed on the US stock markets and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

When you're making important choices with your money, it's important you feel confident about your decisions.

If you're not sure whether choosing the MIO is right for you, or you're uncertain over your fund choices, please contact your financial adviser. If you no longer have a financial adviser, we're here to help. We have a dedicated team who can answer your questions and offer access to advice.

Standard Life Japanese Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to the Japanese equity market. The fund invests predominantly in the shares of companies listed on the Japanese stock markets. Please note that the Japanese equity exposure in this fund is currently managed by Chuo Mitsui, one of Japan's leading domestic equity managers.

Standard Life Pacific Basin Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to equity markets in the Pacific Basin region (excluding Japan) and Australasia. The fund invests predominantly in the shares of companies listed on the stock markets in the Pacific Basin and Australasia. The fund is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

Standard Life International Life Fund

The fund aims to provide long term growth and is designed for investors who are looking for exposure to global equity markets, including the UK. The fund invests predominately in the shares of companies listed on the Global stock markets and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

Standard Life Sterling Life Fund

The fund is intended to provide market leading returns from a portfolio of money market instruments and invests not only in bank and building society deposits but also in a variety of other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs) where, when purchased, repayment is typically expected within 3 years.

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 one or more of the securities held due to for instance a credit event or where the anticipated repayment term of an asset is extended.

Standard Life Fixed Interest Life Fund

The fund aims to provide long term growth mainly from the reinvestment of income generated by investing predominantly in UK bonds such as gilts and corporate bonds. The fund is actively managed by our investment teams who may also invest a proportion of assets in other bonds (e.g. overseas bonds) and/or money market instruments, such as Certificates of Deposits (CDs) and Floating Rate Notes (FRNs), to try to take advantage of opportunities they have identified.

Standard Life Index Linked Life Fund

The fund aims to provide long term growth from a combination of income and capital growth by investing predominantly in index-linked stock issued by the UK government. The fund is actively managed by our investment team who may also invest in other securities, such as Sterling denominated fixed interest stocks and corporate index-linked bonds, to try to take advantage of opportunities they have identified.

Standard Life Property Life Fund

The fund aims to provide long term growth from a combination of income and capital growth by investing predominantly in prime quality UK properties. Typically the fund will invest in a mix of freehold and leasehold properties selected from across the retail, office and industrial sectors. The fund may also invest in European properties and in property development opportunities. As well as direct investments, the fund may also invest indirectly in property through investment vehicles such as quoted and unquoted property companies or collective investment schemes.

Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.

Standard Life Ethical Life Fund

The fund aims to provide long term growth by investing in a diversified portfolio of assets (including equities and corporate bonds) that meet our strict ethical criteria. The fund's assets can be from both the UK and overseas and are predominantly equity based. The ethical criteria are agreed with the Standard Life Ethical Committee and may be amended from time to time if considered appropriate. The fund manager will exclude companies which fail to meet the ethical criteria whilst seeking to include companies whose business activities are regarded as making a positive contribution to society.

What to do next . . .

If you decide you would like to proceed with this option, or if there's anything you're unsure about, whether it's the amount of money you'd like to invest or the types of funds you can invest in, contact your financial adviser and they can help you make the right decision. If you no longer have a financial adviser you can talk to one of our experts.

If you need more information, call us on this number:

0845 60 60 035

Call charges may vary and your call may be recorded or monitored to improve our services.

Pensions
Savings
Investments
Insurance

Speak soon.

If you'd like further information on this or any of our other products, or if there's anything more about Standard Life we can help you with, just call us on this number, or visit our website. Call charges may vary and your call may be recorded or monitored to improve our service.

0845 60 60 035

www.standardlife.co.uk

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

Standard Life Assurance Limited, registered in Scotland (SC286833), Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH, authorised and regulated by the Financial Services Authority. 0131 225 2552.
Calls may be recorded/monitored. **www.standardlife.co.uk**