

## Adviser Guide

### For advisers' use only (not to be relied on by anyone else)

This adviser guide gives you an overview of the International Bond. For more detailed information, please read the product literature, which can be found on [www.adviserzone.com/offshore](http://www.adviserzone.com/offshore), or contact your Standard Life Account Manager.

<b>Operating company</b>	Standard Life International Limited (SLIL), a wholly-owned subsidiary of Standard Life Assurance Limited. Based in Dublin, Republic of Ireland.
<b>Geographical limits</b>	This contract is only available to investors who are 'habitually' resident in the UK, Channel Islands or the Isle of Man. It cannot be sold outside these areas.
<b>Product name</b>	International Bond.
<b>Description of product</b>	A lump sum payment, non-qualifying, investment-linked contract. It has the flexibility to accept one-off lump sum payments and recurrent single payments.
<b>Term</b>	Whole of Life.
<b>Life status</b>	Single life or joint-life, last survivor. Up to six lives may be assured on last survivor basis.
<b>Age limits</b>	Minimum age of life assured at entry: three months. Maximum age of life assured at entry: 84 Where there are multiple lives assured, the maximum age for the youngest life assured is 84 so we will permit lives assured older than 84 as long as one life assured is 84 or younger.
<b>Benefits on death</b>	The death benefit will be the total surrender value of the investments under the bond multiplied by 100.1%. We do not offer extra life assurance cover above that value.
<b>Tax treatment</b>	Any growth is virtually free of tax. Irrecoverable withholding tax may be payable on certain investment funds, as in some countries withholding tax is deducted from dividend and interest payments. If your client invests in a net fund, where tax is paid on returns within the fund, where possible Standard Life International will reclaim the tax paid within the fund and return this to your client. We may not be able to reclaim tax due to changes in HM Revenue & Customs practice.
<b>Investment choice</b>	The International Bond can access: <ul style="list-style-type: none"> <li>▶ Insured Funds</li> <li>▶ Mutual Funds</li> <li>▶ Whole of Market Funds</li> <li>▶ Discretionary Investment Managers</li> <li>▶ Deposit Accounts</li> <li>▶ Structured Deposit Accounts</li> </ul>

<b>Investment switches</b>	<p>Switching between investments is allowable with no tax liability. Dealing and custodial charges will apply for switches involving Whole of Market Funds – please see the ‘Charging Structure’ section on page 5 for more information.</p> <p>Some Deposit Account, Structured Deposit Account and Fund providers may apply early withdrawal charges or delay withdrawals in some circumstances.</p> <p>In order to maintain fairness between unitholders remaining in and those leaving a fund, we may, in exceptional circumstances, delay cashing in or switching all or part of your client’s funds.</p> <p>The delay could be for up to one month, or up to 9 months for those funds which invest directly or indirectly in buildings or land, because property can be difficult to sell. The delay could be much longer if the fund is linked to the fund of an external fund manager and that fund allows a longer delay.</p> <p>If we delay cashing in or switching, we will use the unit prices that apply on the day on which the cashing in or switch actually takes place. The prices on that day could be very different from the prices on the day that your client made the request.</p> <p>Please note that we reserve the right to alter the charge(s) that may be applied, and the number of switches that may be taken, at any time.</p>
<b>Policy segments</b>	<p>By default, the policy is divided into 100 identical individual policies or ‘segments’. Your client can request a different number, if required.</p>
<b>Estate planning</b>	<p>The International Bond can be used for effective estate planning. We offer a Discounted Gift Plan, Loan Plan and Gift Plan, which can be written under a range of trusts. For more information go to propositions on <a href="http://www.adviserzone.com">www.adviserzone.com</a></p>



**All information in this document relating to taxation is based on our understanding of law and practice in Ireland and the UK at February 2011. The future tax position of the bond or your client’s own tax position may alter. The tax information given only applies if your client is resident in the UK for tax purposes.**

<b>Minimum payment levels</b>	<p>Initial one-off lump sum payment:  £20,000 for Insured Funds, Mutual Funds and Deposit Accounts.  £60,000 for Discounted Gift Plan (DGP).  £100,000 for Discretionary Investment Managers and Whole of Market Funds.</p> <p>Additional one-off lump sum payment:  £2,500</p> <p>Recurrent single payments:  The minimum limits if your client is only making recurrent single payments in a new bond are:</p> <ul style="list-style-type: none"> <li>▶ £1,000 each month</li> <li>▶ £3,000 every 3 months</li> <li>▶ £6,000 every 6 months</li> <li>▶ £10,000 every year</li> </ul> <p>The minimum limits if your client has an existing bond or is also making a lump sum investment of at least £20,000 are:</p> <ul style="list-style-type: none"> <li>▶ £500 each month</li> <li>▶ £1,500 every 3 months</li> <li>▶ £3,000 every 6 months</li> <li>▶ £5,000 every year</li> </ul> <p>Please note that some Discretionary Investment Managers, Deposit Account and Structured Deposit Account providers may specify their own minimum investment.</p>
<b>Maximum payment</b>	<p>There is no maximum payment. Please note that if your client's investment is more than £3,000,000 we may offer an enhancement to our standard terms and conditions.</p>
<b>Payment frequency</b>	<p>One-off lump sum payments and increments.  Recurrent single payments can be made by Direct Debit every month, every 3 months, every 6 months or every year.</p>
<b>Payment method</b>	<p>Client can pay one-off payments by BACS, CHAPS/Telegraphic Transfer or by cheque. Cheques must be made payable to 'Standard Life International Limited'.</p> <p>Payments of £1,000,000 or more must be paid by CHAPS/Telegraphic Transfer.</p> <p>Recurrent single payments must be paid by direct debit.  In-specie transfers may be available on request.</p>
<b>Currency of the bond</b>	<p>UK Sterling only.</p>

<p><b>Withdrawals</b></p>	<p>Withdrawals can be taken every:</p> <ul style="list-style-type: none"> <li>▶ month</li> <li>▶ three months</li> <li>▶ four months (unless investing through the Discounted Gift Plan)</li> <li>▶ six months</li> <li>▶ year.</li> </ul> <p>The minimum regular withdrawal is £200. Regular withdrawals cannot start until one month after the policy begins. Your client can also take one-off withdrawals of £500 or more as long as they keep £10,000 invested in their bond.</p> <p>Withdrawals may not be allowed when an active direct debit is in place to make recurrent single payments.</p> <p>For UK residents, if your client cashes in their bond, or takes one-off or regular withdrawals amounting in any policy year to more than 5% of the total amounts paid into their bond, part of their benefit may be treated as a ‘chargeable gain’ and will be liable to income tax. An Exit Charge can apply in certain circumstances – see page 7 for more information.</p> <p>Some Deposit Account, Structured Deposit Account and Fund providers may apply early withdrawal charges if your client cashes in their investment before the end of the term or without providing sufficient notice. They may also delay withdrawals from the investment. Please ensure you and your client are aware of any restrictions that may apply. Withdrawals for bonds set up as Discounted Gift Plans are fixed at the outset and cannot be changed subsequently.</p>
<p><b>Commission</b></p>	<p>Commission may be taken in a variety of ways:</p> <ul style="list-style-type: none"> <li>▶ Initial Commission – a one-off initial payment for each investment made which allows you to take upfront commission from the client’s investment. See ‘Initial Charge’ on page 7 for details of the charge.</li> <li>▶ Fund Based Commission (Trail) – regular payments in arrears which allow you to take commission on a regular basis for ongoing advice/management. See ‘Renewal Charge’ on page 7 for details of the charge.</li> <li>▶ Funded Initial Commission – a one-off initial payment for each investment made which allows you to take upfront commission whilst allowing the client to receive 100% allocation. See ‘Establishment Charge’ on page 7 for details of the charge. Funded Initial Commission may be rebated or ‘given-up’ to the investor to increase the allocation rate on a 1% for 1% basis. Funded Initial Commission is not available on recurrent single payments.</li> </ul> <p>A mix of commission types can be used for the initial investment and any subsequent increments. For further details, including the levels of commission available please refer to our International Bond Commission Guide (IB20).</p> <p>Commission clawback does not apply except in the case of the bond not being taken up.</p> <p>Increments are treated as a new investment with their own allocation rate and commission structure.</p>
<p><b>Cancellation rights</b></p>	<p>Your client has a legal right to cancel their contract if they change their mind. They have a 30 day period to consider if they want to change their mind. This 30 day period starts from the day they receive their Policy Schedule and Policy Provisions. During this period, if they decide they want to cancel, they should write to us at the address shown in the ‘How to contact us’ section in the International Bond Key Features Document (IB17), instructing us to cancel the contract. If they change their mind and want to cancel their bond they may get back less than they paid in. Please make sure that they include their bond number in any correspondence with us. There may be restrictions on withdrawals from some Deposit Account, Structured Deposit Account and Fund providers. Please see the ‘Withdrawals’ section above for more information.</p>

## Charging structure

The charges that will apply to your client's International Bond are determined by four components:

1. **Allocation rate** – the amount of your client's payment that is used to buy units in their chosen investment(s).
2. **Fund management charges** – the charges associated with managing the investment options chosen.
3. **Commission** – the commission taken by you.
4. **Large Fund Discounts** – discounts based on the size of the overall investment that can offset part of the charges.

The charges that will apply to your client's International Bond will be set out in their Personal Illustration.

### 1. Allocation rate

- ▶ Base allocation rate is 100%.
- ▶ May be increased by rebated Initial Commission to a maximum of 108%.
- ▶ May be reduced to a minimum of 92% by taking Initial Commission.

### 2. Fund management charges

Depending on the investment options the client chooses, different types of charge can apply for the management of their funds:

	Insured Funds	Mutual Funds	Whole of Market	Deposit/ Structured Deposit Accounts	Discretionary Investment Managers
<b>Fund Management Charge</b>	Yes	Yes	Yes	No	Yes
<b>Additional Expenses</b>	Yes	Yes	Yes	No	Yes
<b>Whole of Market Fund Charge</b>	No	No	Yes	No	No
<b>Deposit Account Charge</b>	No	No	No	Yes	No
<b>Mutual Funds/Whole of Market Funds Initial Charge</b>	No	Yes (Note 1)	Yes	No	No
<b>Discretionary Investment Manager (DIM) Charge</b>	No	No	No	No	Yes
<b>Dealing and Custodial Charges</b>	No	No	Yes (Note 2)	No (Note 3)	No (Note 4)

**Note 1** – Currently almost all of the Mutual Funds available through the International Bond have no Mutual Fund Initial Charge. Please see our document, 'Summary of Insured and Mutual Funds' (IB11b) for details of which Mutual Funds have an initial charge.

**Note 2** – Some fund providers may also apply early withdrawal charges. Details can be found in the fund's prospectus.

**Note 3** – It usually takes 2-3 days for money to be transferred to or from a Deposit Account. The Deposit Account provider may charge your client for a transfer of money to or from a Deposit Account. Any such charge may be greater if the transfer of money is a same-day transfer. Some Deposit Account and Structured Deposit Account providers may also apply early withdrawal charges if your client cashes in their investment before the end of the term or without providing sufficient notice.

**Note 4** – Some Discretionary Investment Managers may apply their own dealing and custodial charges. However, such charges will be included within the Annual Management Charge applied by the Discretionary Investment Manager.

<b>Fund Management Charge</b>	<ul style="list-style-type: none"> <li>▶ This is a percentage charge applying daily within the fund price.</li> <li>▶ This Fund Management Charge differs by fund.</li> <li>▶ For funds invested with Discretionary Investment Managers, the Annual Management Charge includes the charge the Discretionary Investment Manager takes for managing the investment.</li> </ul>
<b>Mutual Funds/Whole of Market Funds Initial Charge</b>	<ul style="list-style-type: none"> <li>▶ Some fund managers take an initial charge from investments into particular funds. This means that less than 100% allocation is given for that specific fund, if applicable.</li> <li>▶ The charge varies by each specific fund.</li> </ul>
<b>Whole of Market Fund Charge</b>	<ul style="list-style-type: none"> <li>▶ A Whole of Market Fund Charge of 0.8% per annum applies to payments invested in Whole of Market funds.</li> <li>▶ This charge is applied monthly in arrears to assets held at that time.</li> </ul>
<b>Dealing and Custodial Charge</b>	<ul style="list-style-type: none"> <li>▶ We will levy a Dealing and Custodial Charge of £20 for each buy or sell involving Whole of Market Funds.</li> </ul>
<b>Discretionary Investment Manager (DIM) Charge</b>	<ul style="list-style-type: none"> <li>▶ Standard Life applies a charge of 0.55% per annum to funds invested via a Discretionary Investment Manager. This charge is applied monthly in arrears to assets held at that time.</li> </ul>
<b>Deposit Account/Structured Deposit Account Charge</b>	<ul style="list-style-type: none"> <li>▶ A charge of 0.55% per annum applies to funds invested in Deposit Accounts or Structured Deposit Accounts.</li> <li>▶ This charge is applied monthly in arrears to assets held at that time.</li> </ul>
<b>Additional Expenses</b>	<ul style="list-style-type: none"> <li>▶ Fund managers may charge an additional expense to cover costs such as fees for trustees, registrars, auditors and regulators.</li> <li>▶ This charge is likely to vary among fund managers. The exact amount is included in the Personal Illustration.</li> </ul>

The charges and their effect on the value of your client's bond are shown in their Personal Illustration.

Charges are regularly reviewed and may be increased to reflect increases in overall costs and/or changes in the assumptions made. Any increases in charges will not increase Standard Life International's profit margins above reasonable levels.

### Discretionary adjustments

We may make discretionary adjustments to reflect costs incurred in managing a fund. For example, if the fund manager experiences a significant number of investors leaving the fund and needs to apply an adjustment to reflect the costs of selling assets.

### 3. Commission

<b>Initial Charge</b>	<ul style="list-style-type: none"> <li>▶ This is the charge to pay for Initial Commission.</li> <li>▶ This is an explicit, one-off charge deducted when a payment is processed through new business.</li> <li>▶ This effectively reduces the allocation rate.</li> <li>▶ Charge is 1% for every 1% of Initial Commission taken.</li> <li>▶ Maximum charge is 8%.</li> <li>▶ Maximum regular withdrawal rate 10%.</li> </ul>
<b>Renewal Charge</b>	<ul style="list-style-type: none"> <li>▶ This is the charge to pay for Fund Based Commission (Trail).</li> <li>▶ 0.1% per annum is deducted for each 0.1% per annum of Fund Based Commission paid.</li> <li>▶ Maximum charge of 1% per annum in arrears (for as long as Fund Based Commission is in force) to match the Fund Based Renewal Commission payment frequency.</li> </ul>
<b>Establishment Charge</b>	<ul style="list-style-type: none"> <li>▶ An explicit charge, paid monthly in arrears.</li> <li>▶ This is the charge to pay for Funded Initial Commission.</li> <li>▶ 0.2% of the bond value (or payment if higher) per annum charge for every 1% funded initial commission taken for the first six years.</li> <li>▶ May be rebated to increase the allocation rate on a one-for-one basis.</li> <li>▶ Maximum charge is 1.6% of bond value (or payment if higher).</li> <li>▶ Maximum regular withdrawal rate 5% if Establishment Charge is taken.</li> <li>▶ Exit charges apply on full or part surrender. See below.</li> </ul>
<b>Exit Charges</b>	<ul style="list-style-type: none"> <li>▶ These apply where Funded Initial Commission is taken and full or part surrender takes place within the Establishment Charge period. An Exit Charge will also apply if the last surviving life assured under the bond dies within this period.</li> <li>▶ <b>Full surrenders:</b> an Exit Charge is applied equal to the sum of the outstanding establishment charges. This is calculated based on the value of the funds encashed at the surrender date.</li> <li>▶ <b>Part surrenders:</b> an Exit Charge will be applied if your client cashes in part of their bond within the Establishment Charge period by surrendering across all segments equally, and the remaining value of their bond is less than 50% of the original payment. An Exit Charge will be applied if your client cashes in part of their bond within the Establishment Charge period by surrendering whole segments. This is because each segment is an individual policy which is being fully surrendered.</li> <li>▶ <b>Death:</b> an Exit Charge is applied equal to the sum of the outstanding establishment charges.</li> </ul>

### 4. Large Fund Discounts

When your client's investments are of a certain size, we may apply Large Fund Discounts to offset part of the effect of the charges. Your client's Personal Illustration will contain details of the Large Fund Discounts that will apply to them.

Large Fund Discounts will be applied monthly in arrears as follows:

Total size of investments within bond	Discount
£20,000 - £149,999	0%
£150,000 - £249,999	0.05%
£250,000 - £499,999	0.20%
£500,000 - £749,999	0.25%
£750,000 - £999,999	0.30%
£1m and over	0.35%

- ▶ **For Insured Funds:** By creating units in proportion across the Insured Funds.
- ▶ **For Mutual Funds, Whole of Market Funds, Discretionary Investment Managers, Structured Deposit Accounts and Deposit Accounts:** By crediting your client's International Bond Bank Account (IB Bank Account).

## IB Bank Account

If your client only invests in Insured Funds, all charges and withdrawals will be applied by cancellation of units from those funds.

If your client chooses to invest part or all of their money in investments other than Insured Funds, they will be required to have an IB Bank Account to manage the charges, investment transactions and withdrawals.

The interest rate payable on positive balances in the IB Bank Account is not guaranteed and can change. Please contact us to find out the current rate payable on the IB Bank Account.

It is important your client keeps funds in the IB Bank Account to cover the costs of managing their investments and any withdrawals. We suggest that your client maintains an amount of around 3% of the total value of their investments under the bond, plus the amount required to cover any regular withdrawals, in the IB Bank Account. However, the amount should depend on which investment options they choose and the commission you take.

To help you determine what percentage of your client's investment should be allocated to the IB Bank Account, we've created the 'Keeping Cash Healthy' calculator. To access the calculator log on to [www.adviserzone.com/calculators](http://www.adviserzone.com/calculators)

If the IB Bank Account has insufficient funds to meet a deduction, it may become overdrawn. There is no guarantee that an overdraft facility will be available on the IB Bank Account. If an overdraft facility is available, interest will be charged on all amounts overdrawn until the date of settlement. The rate of interest charged is not guaranteed and can change. Please contact us to find the current rate charged on overdrawn amounts and the terms of any available overdraft.

We reserve the right to cancel units in your client's investment funds to clear an overdrawn balance. Unless otherwise advised by the client this would happen as follows:

- ▶ By cancelling units in proportion across all Insured Funds; or
- ▶ If no Insured Funds remain, we will disinvest across Mutual Fund holdings on a last in, first out basis; or
- ▶ Where no Insured or Mutual Funds remain, we will disinvest across other assets as required at the Company's discretion.

## Find out more

**If you'd like more information on offshore investing, or if there's anything more about Standard Life International we can help you with, just call us on this number, or visit our website.**

**Call us on 0845 300 4273**

(Mon-Fri, 9am to 5pm). Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

**[www.slinternational.ie](http://www.slinternational.ie)**