



International Bond

Key features

This is an important document.
Please read it and keep for future reference.

Helping you decide

This Key Features Document contains important information about the main features, benefits and risks of the International Bond. This information will help you decide whether the International Bond is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for reference.

This Key Features Document is for UK, Channel Islands and Isle of Man residents only.

A Personal Illustration is also enclosed. It will show you how much you may get in the future.

Your Key Features Document and Personal Illustration should be read together, and then kept with your other International Bond documents.

You can only buy this product through a financial adviser or intermediary. They will give you advice and answer any questions you may have.

If you want further information about the International Bond, please speak to your financial adviser in the first instance. You can also phone our customer helpline. Although we will be happy to answer your questions, we can't give you financial advice. Our contact details can be found on page 17.

Full details of the terms and conditions that apply to your bond can be found in 'Policy Provisions for the International Bond'.

Contents

04	1.	Its aims
04	2.	Your commitment
04	3.	Risks
05	4.	Questions and Answers
	4.1	What payments can I make?
	4.2	Where is my payment invested?
	4.3	Can I take money out?
	4.4	What are the charges & discounts?
	4.5	What is the International Bond Bank Account ('IB Bank Account')?
	4.6	What about tax?
	4.7	What happens to my International Bond if I die?
	4.8	Other important questions
16	5.	Other information
17	6.	How to contact us
18	7.	About Standard Life International

1. Its aims

The bond aims to give you capital growth in a tax-efficient way, over the medium to long term.

The bond aims to give you access to your money by making tax-efficient, regular or one-off withdrawals.

The bond allows you to choose from a wide range of investment options. For more information on the options available, please see the 'Where is my payment invested?' section on page 7.

2. Your commitment

To make payments to your International Bond, within our product limits.

To view your International Bond as a medium to long-term investment. While the bond has no fixed term, this means that it should usually be held for at least five years.

To inform us if you become tax resident in Ireland.

To keep at least £10,000 in your International Bond if you wish it to stay open.

If you commit to making recurrent single payments the value of your bond can be less than £10,000 for a period of time as long as you have a Direct Debit in place. If you cancel your Direct Debit and the value of your bond is less than £10,000 we may close your bond.

3. Risks

This section is designed to tell you about the key product risks that you need to be aware of at different stages of your investment.

At the start

If you change your mind and want to cancel your bond within the 30 day cancellation period, you may get back less than you paid in. See 'Can I change my mind?' on page 15 for more information, including when you can cancel.

During investment

Your bond can invest in a range of funds. These funds vary in their level of risk and their value can go down as well as up.

You should consider investing in a variety of asset classes and a range of investments within those asset classes. By investing in this way, you are spreading the risk and not relying on the performance of a single investment or asset class.

The value of an investment-linked fund is directly related to the performance of the assets in which the fund invests 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 pay in.

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.

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 funds.

The delay could be for up to one month, or up to nine 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.

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 you made your request.

External fund managers are responsible for the management of their funds, including what they invest in. This means that Standard Life International is not responsible for the investment performance or availability of these funds.

Money invested in the International Bond (IB) Bank Account or in any Deposit Account within your Bond will not be covered by the UK Financial Services Compensation Scheme (FSCS) should the account provider become insolvent. Please see the 'Compensation' section on page 16 for further information.

When taking withdrawals out of your International Bond

You can take money out of your International Bond, but this will reduce its value.

If you take withdrawals that are greater than any capital growth on your bond, the capital value of your bond will fall.

Please see the 'Can I take money out?' section on page 8 for more information.

When cashing in your Bond

What you get back depends on the performance of the funds you choose to invest in, and our charges.

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 paid in. There is no guaranteed value.

Although your Personal Illustration gives an indication of what you might get back, the figures are not guaranteed and will depend on several factors.

You may get back less than the amounts shown in your Personal Illustration because:

- ▶ Any capital growth could be lower than shown in your Personal Illustration
- ▶ The charges could go up
- ▶ We change the basis on which we set the price of an investment-linked fund
- ▶ The performance of the investments is lower than anticipated
- ▶ Tax rules and legislation could change
- ▶ You withdraw money from your Bond earlier or more frequently than anticipated
- ▶ You take regular withdrawals which are larger than any growth in your investments.

If you are no longer a UK resident for tax purposes when you cash in your bond it will affect the tax you pay.

If you wish to cash in your International Bond, please speak to your financial adviser or contact Standard Life International. Please see the 'How to contact us' section on page 17.

4. Questions and Answers

This section is intended to help answer some general questions you may have, before covering subjects such as:

- ▶ Payments,
- ▶ Investment choices,
- ▶ Withdrawals,
- ▶ Charges & discounts,
- ▶ Commission,
- ▶ The International Bond Bank Account, and
- ▶ Tax

in greater detail.

What is an International Bond?

An International Bond is a lump sum non-qualifying, whole-of-life, offshore investment bond, which is made up of 100 individual policies or 'segments', although you can request a different number if required. Please speak to your financial adviser if you wish to do this.

You can invest in funds offered by Standard Life International and other fund managers, via Discretionary Investment Managers or an Investment Adviser, or in Deposit Accounts.

While your money is invested in an International Bond, you won't pay tax on any growth. Instead, tax is paid when you take money out of the bond, and will be based on your circumstances at that time. There may also be withholding tax payable on certain investment funds. Please see the 'What about tax?' section on page 14.

The International Bond is administered in Ireland.

Tax and legislation are likely to change. The information in this Key Features Document relating to taxation is based on our understanding of law and tax practice in Ireland and the UK as at January 2012. The future tax position of the International Bond or your own tax position may alter. The tax information given only applies if you are a resident in the UK for tax purposes. If you are no longer a resident in the UK for tax purposes, please contact your financial adviser for more information.

How flexible is it?

The International Bond offers a wide range of investment options. You may switch the investments held within the bond, although there may be charges involved. Please see the 'Dealing and Custodial Charges' section under 'What are the charges & discounts?' on page 11.

You can transfer ownership of part or all of your bond. This is called "assigning". Note that you will need to request a deed of assignment and that restrictions may apply, particularly if the bond is set up under trust. If recurrent single payments are being made these will stop if the bond is assigned. Also, some Deposit Account and Whole of Market Fund providers may apply exit penalties when policies (segments) invested in fixed term Deposit Accounts are assigned to another person. For more information on assigning, please speak to your financial adviser.

You can also make additional payments into your bond. Please see the 'What payments can I make?' section on page 06.

You can take withdrawals from your bond. Please see the 'Can I take money out?' section on page 8.

You can cash in your bond but an exit penalty may apply. For details of this exit penalty please see the section ‘What are the charges & discounts?’ on page 8.

Can I invest in an International Bond?

The minimum age of a bondholder is 18.

The minimum age for a life assured when taking out an International Bond is three months. The maximum age for a life assured is 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.

The life assured is the individual upon whose life payment of the benefits under the policy depends.

You have to be habitually resident in the UK, Channel Islands or Isle of Man to invest in an International Bond. You should speak to your financial adviser if you are not sure whether you qualify as being habitually resident in any of these locations.

Up to six people can jointly own the bond, and up to six lives assured can be named under the bond.

If you are taking out this International Bond in conjunction with a trust, please see your financial adviser for details of any restrictions that may apply.

4.1 What payments can I make?

You can make one-off lump sum payments and/or recurrent single payments. The minimum limits are explained in this section. We can only accept payments in Sterling.

Initial lump sum payment

The minimum initial lump sum payment is:

- ▶ £20,000, or
- ▶ £60,000 if you select the Discounted Gift Plan, or
- ▶ £100,000 if you invest in Whole of Market Funds or via a Discretionary Investment Manager or Investment Adviser.

Additional lump sum payments

You may be able to make one-off additional payments subject to minimum payment levels and any maximum age limit.

The minimum amount for an additional lump sum payment to an existing bond is £2,500.

One-off additional payments may be invested in any of the investment options available at the time of making the payment.

Recurrent single payments

You may be able to make recurrent single payments on a regular basis by Direct Debit, subject to minimum payment levels and any maximum age limit.

The minimum limit depends on how often you make payments and whether you are also making a one-off lump sum investment or have an existing bond. You can choose to make recurrent single payments every month, every 3 months, every 6 months or every year.

The minimum limits if you are only making recurrent single payments in a new bond are:

- ▶ £1,000 each month
- ▶ £3,000 every 3 months
- ▶ £6,000 every 6 months
- ▶ £10,000 every year

The minimum limits if you have an existing bond or are also making a lump sum investment of at least £20,000 are:

- ▶ £500 each month
- ▶ £1,500 every 3 months
- ▶ £3,000 every 6 months
- ▶ £5,000 every year

If the bond is assigned we will stop accepting recurrent single payments from the assignor, but the assignee is free to start recurrent single payments if they like. Please see ‘How flexible is it’ on page 5 for details about assignment.

Withdrawals may not be allowed when an active direct debit is in place to make recurrent single payments. See ‘Can I take money out?’ on page 8 for more details.

Maximum payment

There is no maximum. If you invest more than £3,000,000 we may offer an enhancement to our standard terms and conditions.

Payment methods

Initial or Additional lump sum payments less than £1,000,000 can be made by:

- ▶ BACS
- ▶ CHAPS/Telegraphic Transfer
- ▶ Cheque

Cheques must be made payable to ‘Standard Life International Limited’.

Payments of £1,000,000 or more must be made by CHAPS/Telegraphic Transfer.

Your bank may charge you for making a payment by CHAPS/Telegraphic Transfer.

Recurrent single payments can only be made by:

- ▶ Direct Debit

In-specie transfers

In certain circumstances we may allow in-specie transfers, where underlying assets are transferred directly into the name of Standard Life International Limited (SLIL) and credited to you, as the investor. However, we reserve the right to refuse part or all of any in-specie transfer of assets.

Only investments that are compatible with the International Bond can be accepted (for example, collective investments such as mutual funds) and we reserve the right to specify a minimum payment level for an in-specie transfer.

4.2 Where is my payment invested?

We offer a wide range of investment options so that you can choose the investments which best meet your needs. Your payment is used to buy units in your choice of these investment options:

- ▶ **Insured Funds** – These are funds that can only be invested in through life assurance products such as the International Bond.
- ▶ **Mutual Funds** – These are collective investments which allow groups of investors to pool their money together. The investments are managed by professional fund managers who invest on their behalf.
- ▶ **Whole of Market Funds** – These are usually Mutual Funds that have been specifically requested by you or your financial adviser. A requested fund will be assessed by Standard Life International to ensure it is compatible with the International Bond.

Your payment can also be invested in:

- ▶ **Deposit Accounts** – You can choose from a panel of bank and building society account providers selected by Standard Life International.

You can also appoint either a Discretionary Investment Manager or an Investment Adviser:

- ▶ **Discretionary Investment Manager** – Discretionary Investment Managers offer an independent professional investment service where they manage some or all of your investments under your bond. A Discretionary Investment Manager will construct a portfolio of investments in line with your views on risk and return. You can choose from a panel of Discretionary Investment Managers selected by Standard Life International.

We will not be liable for any losses incurred due to the fall in value of any investments managed by your Discretionary Investment Manager.

- ▶ **Investment Adviser (IA)** – IAs offer an independent professional investment service in respect of some or all of the investments held under your bond. The IA is authorised to provide investment advice and recommendations to you in line with your selected investment strategy and views on risk and return, which will be detailed in your 'Declaration in respect of Investment Advisers' form (IB34).

The IA will buy and sell assets on behalf of Standard Life International in accordance with the permitted assets list agreed with Standard Life International and communicated to you. The IA may also (subject to certain restrictions) receive and action investment instructions from you.

You can choose from a panel of IAs selected by Standard Life International.

Notes on your investment

All investment choices are made at your own risk, so it is important to seek the appropriate financial advice.

Standard Life International is not responsible for the performance or solvency of the providers of the investments available through the International Bond.

Standard Life International will not be held liable for any loss suffered by you if a Deposit Account provider backed by a government guarantee fails and that government is unable to meet its guarantee.

We may place investment restrictions on any investment option at any time.

If you choose to invest part or all of your money in investments other than Insured Funds, you will be required to have an International Bond Bank Account to manage the charges, investment transactions and withdrawals.

Please see the 'What is the International Bond Bank Account ('IB Bank Account')?' section on page 12 for more information.

4.3 Can I take money out?

You can take money out of your International Bond, but this will reduce its value. You can take regular withdrawals, one-off withdrawals or fully cash in your bond.

You can take regular withdrawals every:

- ▶ month
- ▶ three months
- ▶ four months
- ▶ six months, or
- ▶ year.

You can take withdrawals from one month after the start date of your policy. The minimum regular withdrawal amount is £200. Payment will be made directly to your requested bank account. The minimum amount for a one-off withdrawal is £500.

You must keep at least £10,000 invested in your International Bond if you wish it to stay open. If the value of your Bond falls below £10,000, your bond will automatically be cancelled and the money returned to you.

If you commit to making recurrent single payments each month the value of your bond can be less than £10,000 for a period of time, as long as you have a Direct Debit in place. If you cancel your Direct Debit and the value of your bond is less than £10,000 we may close your bond. Withdrawals may not be allowed when an active direct debit is in place to make recurrent single payments.

If your International Bond includes an Establishment Charge, and you cash in your bond, or take one-off withdrawals within the Establishment Charge period (usually six years following the investment), we will apply an Exit Charge. Please see the 'Funded Initial Commission' section under 'What are the charges & discounts?' on page 11 for more information.

Please see the 'Withdrawals' section under 'What about tax?' on page 14 for information on the tax treatment of withdrawals for UK residents. Non-UK residents should speak to their financial adviser.

4.4 What are the charges & discounts?

We charge for managing your International Bond and for paying commission to your financial adviser. These charges will affect the value of your bond.

The amount you will pay is determined by four components:

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

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

4.4.1 Allocation rate

The allocation rate refers to the amount of your payment that is used to buy units in your chosen investment(s). This can vary depending on how you choose to pay commission.

You can find your allocation rate on your Personal Illustration.

4.4.2 Investment management charges

Depending on the investment options you choose, different types of charges will apply relating to the cost of us providing funds.

The table below shows the charges that can apply. The level of each charge is described on pages 9 to 11.

Note 1 – None of our platform mutual funds currently have an initial charge although this could change in the future.

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

If you do not have enough money in your International Bond Bank Account and holdings cannot be sold in time (for example due to a delay imposed on a fund by a fund manager) your withdrawals will cease.

The maximum regular withdrawal rate is 10% per year. This percentage is based on the total investment you have paid, less any previous one-off withdrawals.

	Insured Funds	Mutual Funds	Whole of Market	Deposit Accounts	Discretionary Investment Managers	Investment Advisers
Fund Management Charge	Yes	Yes	Yes	No	Yes	Yes
Additional Expenses	Yes	Yes	Yes	No	Yes	Yes
Whole of Market Fund Charge	No	No	Yes	No	No	No
Deposit Account Charge	No	No	No	Yes	No	No
Mutual Funds/ Whole of Market Funds Initial Charge	No	Yes (Note 1)	Yes	No	No	No
Discretionary Investment Manager Charge	No	No	No	No	Yes	No
Investment Adviser (IA) Charge	No	No	No	No	No	Yes
Dealing and Custodial Charges	No	No	Yes (Note 2)	No (Note 3)	No (Note 4)	No (Note 5)

Note 3 – It usually takes 2-3 days for money to be transferred to or from a Deposit Account. The account provider may charge you for a transfer of money. Any such charge may be greater if the transfer of money is a same-day transfer.

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

Note 5 – An Investment Adviser applies their own transactional and custody charges in accordance with a schedule of fees that will be provided to you.

The IA will not perform ongoing management functions in respect of the investments within your bond. Should you wish to use this service, you must contact the IA as and when you require investment advice and/or recommendations.

Please note that should you choose to:

- ▶ reject the IA's recommendation and/or
- ▶ instruct the IA to undertake a transaction either without asking their advice or which is contrary to the advice they have given

the IA is not responsible for the suitability of that transaction.

We will not be liable for any losses incurred due to the fall in value of any investments advised by your IA.

Switching your investment

You can switch between investments without liability for tax, although you may incur Dealing and Custodial Charges depending on the type of investments involved in the switch. Please see the 'Dealing and Custodial Charges' section under 'What are the charges & discounts?' on page 11.

A request to switch will result in your existing holdings being sold and new holdings purchased. Please refer to the Policy Provisions (IB62) for details of how switch instructions are processed, and contact us for details of the timings that will apply to specific transactions.

If you wish to give your financial adviser authority to make fund switches on your behalf, please complete the relevant section of the application form. However, please speak to your financial adviser first.

We will only accept instructions from authorised persons once we are satisfied that we have verified the identity of the authorised person. It is the responsibility of the authorised person and/or yourself for checking that we have carried out instructions correctly.

Fund Management Charge

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

The yearly rate of this charge is shown on your Personal Illustration.

If you invest via a Discretionary Investment Manager, the Fund Management Charge is made by the appointed Discretionary Investment Manager. Their charge will be made up of two components:

- ▶ The charge the Discretionary Investment Manager takes for managing your investments, and
- ▶ The charges for the specific investments they choose on your behalf.

Please note that your illustration only allows for the first of these components. Statements sent to you by the appointed Discretionary Investment Manager will include details of the charges applying to specific investments they choose and manage on your behalf.

Additional Expenses

Fund managers may charge an additional expense to cover costs such as fees for trustees, registrars, auditors and regulators. This charge is likely to vary. The exact amount is included in your Personal Illustration.

Whole of Market Fund Charge

A Whole of Market Fund Charge of 0.8% per annum applies to funds invested in Whole of Market funds. This charge is applied monthly in arrears to assets held at that time.

Deposit Account Charge

A Deposit Account Charge of 0.55% per annum applies to money invested in Deposit Accounts. This charge is applied monthly in arrears to assets held at that time.

Mutual Funds/Whole of Market Funds Initial Charge

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. The charge varies for each specific fund.

Where this applies, a one-off percentage charge is applied when each and every investment into a particular fund takes place. This charge only applies to Mutual Funds and Whole of Market Funds.

Discretionary Investment Manager Charge

Standard Life International 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.

Investment Adviser (IA) Charge

Standard Life International applies a charge to funds invested via an IA. The amount you are charged will vary depending on the IA you choose. The charge is applied monthly in arrears to assets held at that time. The amount and effect of this charge will be shown in your Personal Illustration.

Dealing and Custodial Charges

We will levy a Dealing and Custodial Charge of £20 for each buy or sell involving Whole of Market Funds.

If you invest in a Deposit Account, please note that some providers may apply early withdrawal charges if money is withdrawn from fixed term or notice accounts before the end of the term or without providing sufficient notice.

Some Deposit Account providers may also impose a transaction charge when transferring money from the Deposit Account to the International Bond Bank Account.

Some fund providers may also apply early withdrawal charges – the fund's prospectus will contain details if this applies.

4.4.3 Commission

We also need to make charges based on the type of commission your financial adviser is taking.

Initial Commission

An Initial Charge is made if your financial adviser takes Initial Commission and effectively reduces the allocation rate used to buy funds and/or other investments. It is a one-off charge that is taken from your investment at the outset. The charge is 1% of your total investment value for each 1% of the commission we pay, up to the maximum charge of 8% of the total investment.

Changing Initial Commission

You can vary the amount of Initial Commission that is paid to your financial adviser in respect of recurrent single payments provided it does not exceed the maximum amount that has been disclosed to you in your Personal Illustration.

Fund Based Renewal Commission

A Renewal Charge will apply if your financial adviser takes Fund Based Renewal Commission (FBRC). This is a regular charge that is taken monthly, quarterly, half-yearly or yearly in arrears as long as FBRC is being taken by your financial adviser. The charge is 0.1% of your total investment value for each 0.1% of the commission we pay, up to the maximum charge of 1% of the total investment.

Changing Fund Based Renewal Commission

You can vary the amount of Fund Based Renewal Commission (FBRC) that is paid to your financial adviser provided it does not exceed the maximum amount that has been disclosed to you in your Personal Illustration.

If FBRC is varied, the Renewal Charge you pay will also vary. This will affect the capital value of your International Bond. For more information on the Renewal Charge and FBRC, please see the 'Fund Based Renewal Commission' section above.

If you have any queries about changing commission, please speak to your financial adviser.

Funded Initial Commission

An Establishment Charge is applied monthly in arrears if your financial adviser takes Funded Initial Commission. The charge will depend on the terms agreed between Standard Life and your financial adviser. The charge is 0.2% of your total investment value each year (or of the original payment, if higher) for every 1% of commission we pay, for the first six years of the investment. The maximum charge is 1.6% a year of your total investment value (or of the original payment if higher), unless you agree alternative terms with us as stated in your Policy Schedule.

Funded initial commission is not available on recurrent single payments.

Your Personal Illustration will set out the terms if they apply to your International Bond.

Exit Charge

If your financial adviser takes Funded Initial Commission and your International Bond lapses, or you cash in your bond, or take one-off withdrawals from the part of your bond to which this commission applies within the Establishment Charge period, then an Exit Charge will apply. An Exit Charge will also apply if the last surviving life assured under the bond dies within this period.

Exit Charges will apply under the following circumstances:

- ▶ **Full surrenders:** an Exit Charge is applied equal to the sum of the outstanding Establishment Charge. This is calculated based on the value of the investments encashed at the surrender date.

- ▶ **Part surrenders:** If you cash in part of your bond within the Establishment Charge period and the remaining value is less than 50% of the payment relating to that part of the bond to which Funded Initial Commission (FIC) was paid, an exit charge will apply. If more than one payment has been made to the policy, partial surrender is done on a 'first payment in, first out' basis with the above rule applying to each payment separately.

Example:

Payment 1 – £20,000 paid in year 1 with 3% FIC taken

Payment 2 – £40,000 paid in year 2 with 3% FIC taken

In year 3 you decide to cash in part of the bond to the value of £25,000. This is less than 50% of the total payments made to the bond so an establishment charge will apply.

In order to make the surrender, £20,000 is taken from Payment 1 and £5,000 is taken from Payment 2. As the remaining value in Payment 1 (now £0 in this example) is less than 50% of the original payment on which FIC was paid (£20,000), the exit charge applies. There is no exit charge from Payment 2 as the remaining value of the payment (£35,000) is more than 50% of the original payment.

If you cash in part of your bond within the Establishment Charge period by surrendering whole segments, then an Exit Charge will always apply. This is because each segment is an individual policy which is being fully surrendered.

Death of last surviving life assured: an Exit Charge is applied equal to the sum of the outstanding Establishment Charges. For information on how death benefits are calculated, please see the 'What happens to my International Bond if I die?' section on page 15.

4.4.4 Large Fund Discounts

When your investments are of a certain size, we will apply Large Fund Discounts to offset part of the effect of the charges. Please refer to your Personal Illustration for details of the Large Fund Discounts that will apply to you.

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

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

The information that follows applies to all charges

The charges are regularly reviewed and may be altered to take account of changes in costs and assumptions.

The charges and their effect on the value of your International Bond are shown in your Personal Illustration. We can increase the charges we make. We may do so in the future if costs are higher than originally expected and/or there have been changes in the assumptions made. 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.

We may also alter the discretionary deductions we take from our funds. Please refer to the section on Discretionary Adjustments below.

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.

4.5 What is the International Bond Bank Account ('IB Bank Account')?

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

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

Deductions from the IB Bank Account

The following will be deducted from the IB Bank Account, if applicable to your investments:

- ▶ Initial Charge
- ▶ Whole of Market Fund Charge
- ▶ Deposit Account Charge
- ▶ Discretionary Investment Manager Charge
- ▶ Investment Adviser (IA) Charge
- ▶ Establishment Charge
- ▶ Renewal Charge
- ▶ Regular withdrawals
- ▶ One-off withdrawals or surrenders
- ▶ Dealing and Custodial Charge
- ▶ Any regular fixed charges
- ▶ Overdraft Charge
- ▶ Any initial administration fees.

Credits to your IB Bank Account

The following may be credited to your IB Bank Account if applicable to your investments:

- ▶ Large Fund Discounts
- ▶ Transfers of money from Discretionary Investment Managers
- ▶ Interest, dividends, and tax credits
- ▶ Interest payments from the balance in your IB Bank Account
- ▶ Money from the sales of funds
- ▶ Yearly discounts.

The interest rate payable on positive balances in the IB Bank Account is not guaranteed and can change. Depending on economic circumstances, it is possible that no interest will be payable on money held in the IB Bank Account.

It is also possible that instead of interest being payable you may be charged to operate the IB Bank Account. This may be because, for example, the IB Bank Account provider may charge us to operate the IB Bank Account. If an additional charge is payable by you we will give you as much notice as possible. We may not be able to give you one month notice if the IB Bank Account provider changes the terms without giving us sufficient notice.

To find out the current rate of interest on the IB Bank Account please contact your financial adviser.

Maintaining your IB Bank Account

It is important to keep funds in the IB Bank Account to cover the costs of managing your investments and any withdrawals.

We suggest that you maintain an amount of around 3% of the total value of your investments under the International Bond, plus the amount required to cover any regular withdrawals, in the IB Bank Account. However, the amount should depend on which investment options you choose and the commission taken by your financial adviser. Please speak to your financial adviser to determine a suitable amount to allocate to the IB Bank Account.

If you wish to give your financial adviser authority to allocate money from your investments to the IB Bank Account on your behalf, please complete the relevant section on the application form. However, please speak to your financial adviser first. We will only accept instructions from authorised persons (financial advisers, Discretionary Investment Managers and IAs) once we are satisfied that we have verified the identity of the authorised person. It is the responsibility of the authorised person and/or yourself for checking that we have carried out instructions correctly.

If the IB Bank Account becomes overdrawn

If the IB Bank Account has insufficient funds to meet a deduction, it may become overdrawn. An overdraft facility may 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. If the terms of the overdraft are to change we will let you know in advance, aiming to give you at least one month notice in accordance with your Policy Provisions (IB62). We may not be able to give you one month notice if the IB Bank Account provider changes the terms without giving us sufficient notice.

Please speak to your financial adviser for details of the interest rate which would be charged on overdrawn amounts and the terms and conditions which may apply.

We reserve the right to cancel units in your funds and/or to sell some of your investments within the Bond to clear an overdrawn balance.

For more information on the IB Bank Account, please refer to the Policy Provisions (IB62) document that will be sent to you once your bond is set up.

4.6 What about tax?

This section applies only if the International Bond is owned by an individual or individuals resident in the UK. If the bond is set up under trust, or owned by a company or partnership or by an individual not resident in the UK, please refer to your financial adviser for more information.

A tax-efficient way to grow your investment

While invested in the bond, you won't normally pay tax on any growth. Instead, tax is paid when you take money out of the bond, and will be based on your circumstances at that time. There may also be withholding tax payable on certain investment funds. This is a tax that some countries deduct from dividends and interest payments to foreign investors. It is not possible to reclaim withholding tax. If you invest 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 you. We may not be able to reclaim tax if there are changes in HM Revenue & Customs practice.

For details on which countries deduct withholding tax, please speak to your financial adviser.

Withdrawals

You can take tax deferred withdrawals each year of up to 5% of the total payments made into your bond, up to a maximum of 100% of the total amount paid into the bond. If you do not use your allowance in a particular policy year, you can carry it forward to a future year.

Your International Bond will be split into 100 individual policies or 'segments', although you can request a different number if required.

When you make a partial withdrawal, you may choose to take an equal amount from each policy or to cash in individual policies, whichever method gives you the lower tax liability.

If you cash in your International Bond, or take one-off or regular withdrawals amounting in any policy year to more than 5% of the total amounts paid into your bond, part of your benefit may be treated as a 'chargeable gain' and will be liable to income tax.

Chargeable gains

Standard Life International does not pay tax on the income and gains of the investments held under your International Bond. Because of this, gains on these types of policies are treated as if no tax at any rate has been paid on them. You will therefore normally have a liability to tax if you incur a chargeable gain.

The gain will be added to your income and charged at your marginal savings rate – starting, basic, higher or additional rate tax. The chargeable gain is calculated by HM Revenue & Customs as follows:

- ▶ When you cash in your International Bond, the chargeable gain is generally the amount you receive plus any amounts you have previously taken, less the total amounts paid into the bond, less any chargeable gains which have arisen on previous withdrawals.
- ▶ The chargeable gain if a cash sum is paid on the death of the last person covered by the International Bond is generally the cash-in value of the bond immediately before death plus any amounts previously taken from the bond, less the total amounts paid into the bond, less any chargeable gains which have arisen on previous withdrawals.
- ▶ If you take one-off or regular withdrawals, a chargeable gain is calculated for the current policy year by adding all the withdrawals made during the year and deducting the amount of the 5% allowance available, as described above.

If you would not otherwise be a higher or additional rate taxpayer, but the chargeable gain, when added to your income, takes your income into the higher tax bracket, the tax payable may be reduced by 'top slicing relief'. Your financial adviser will be able to explain this relief.

When you incur a chargeable gain, the addition of the gain to your income may adversely affect any age allowance to which you are entitled. Your allowance cannot be reduced below the level of the ordinary tax allowance.

Similarly, a chargeable gain may affect your entitlement to working tax credit and child tax credit.

Time Apportionment Relief

If you have been living outside the UK during the period between the start of the policy and the date of the chargeable event, it may be possible to reduce the gain for the time you were abroad. This is known as 'time apportionment relief'. Top slicing relief is reduced for the period of time you spend abroad. You should contact your tax office if you think you may be entitled to time apportionment relief.

Inheritance Tax (IHT) liability

If your International Bond was not set up under trust, it will form part of your estate on death and may therefore increase your IHT liability. Please note that if you are not domiciled in the UK, or cease to be a UK resident for tax purposes, there may be additional tax consequences, whether on the bond or from an IHT perspective.

Trust wordings for International Bonds are only available to UK residents.

You should seek financial advice.

Tax

You will not have to pay tax if you switch between different investments under the International Bond.

Tax and legislation are likely to change. The information in this Key Features Document relating to taxation is based on our understanding of law and tax practice in Ireland and the UK as at January 2012. The future tax position of the International Bond or your own tax position may alter.

The tax information given only applies if you are resident in the UK for tax purposes. If you are no longer resident in the UK for tax purposes, please contact your financial adviser or specialist tax adviser for more information.

4.7 What happens to my International Bond if I die?

If more than one person ("life assured") is covered by the life assurance included with the International Bond, the bond may continue until the death of the last surviving life assured. When the last surviving life assured dies, the value of the bond will be paid out as follows:

- ▶ For investments in Insured Funds, we will cancel all of the units invested in those funds at the date we are notified of the death of the last life assured. We will then deduct any applicable Exit Charges to give the surrender value for the Insured Funds. Please see the 'Exit Charge' section under 'What are the charges & discounts?' on page 11.

- ▶ If you also have investments in any funds other than Insured Funds, the surrender value from the Insured Funds will be placed in your IB Bank Account until the other investments are settled.
- ▶ Investments in funds other than Insured Funds will be sold at the next available transaction date for each fund after we are notified of the death of the last surviving life assured. We will then subtract any applicable Exit Charges to give the surrender value. Please see the 'Exit Charge' section under the 'What are the charges & discounts?' section on page 11. The surrender value for each investment will be placed in your IB Bank Account until all investments under your International Bond are settled.

Once all of the investments under the International Bond have been settled, we will then pay out 100.1% of the total surrender value. The cost for providing this is allowed for in our charging structure.

If the International Bond is written under trust, the cash sum will be paid to the trustees after the death of the last surviving life assured.

From 3rd January 2012, if the last life assured dies as a direct result of an accident, the amount of death benefits paid out may be increased to 110% of the total surrender value. There is no extra charge for this benefit.

Your policy provisions give you full details of this benefit and the exclusions that apply.

In the event of your death, we may need to request Irish probate. Your legal or financial adviser can explain this to you.

4.8 Other important questions

Can I change my mind?

You have a legal right to cancel your contract 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 day you receive your Policy Schedule and Policy Provisions (IB62).

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 on page 17, instructing us to cancel the contract. Where there is more than one bond owner, or where the bond is set up under trust, all bond owners/trustees must sign the letter. Please ensure that you include your International Bond policy 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 cancel during the 30 day period, we reserve the right to deduct any early withdrawal charge applied by a Deposit Account or fund provider from the amount refunded to you.

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, any money received by Standard Life International will not be refundable under the cancellation rule.

Where we believe we may be unable to encash assets readily, we may defer the purchase of certain investments until the 30 day period has expired.

How will I know how my International Bond is doing?

We will send you a statement each year giving the value of your International Bond.

You can access information about your bond online. Details of how to do this will be sent to you after your bond is set up.

You can also call our customer helpline on **0845 300 4273** for an update.

Please have your policy number ready when calling. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

Email is not a secure method of transferring personal information, but, if you are happy to send your details this way, please email us at: service@slinternational.ie

For general information about your International Bond, please visit our website: www.slinternational.ie.

5. Other information

If you need to complain

On request, we can send you a leaflet summarising our complaint handling procedure.

If you need to complain, you should first write to us at the address shown on page 17. If you are not satisfied with our final response, you can complain to:

Financial Service Ombudsman's Bureau
3rd Floor
Lincoln House
Lincoln Place
Dublin 2

Tel: +353 1 6620899

Making a complaint will not affect your legal rights.

Terms and Conditions

This Key Features Document only gives a summary of the Terms and Conditions of your bond. For the full Terms and Conditions that apply to your bond, you should read the International Bond Policy Provisions (IB62).

We may change some of the Terms and Conditions of your bond. We will notify you if this happens.

Law

In legal disputes, the law that applies is usually the law of the country in which you are resident when you take out the International Bond.

Language

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

Compensation

The Financial Services Compensation Scheme (FSCS) has been set up to provide protection to consumers if authorised financial services firms are unable, or likely to be unable, to meet claims against them.

It is important to note that different limits apply to different types of investment. In some circumstances, you might not be eligible for any compensation under the FSCS.

The availability of compensation depends on:

- ▶ The type and structure of the investments you choose within your product.
- ▶ Which party to the contract is unable to meet its claims, whether that is Standard Life International or the underlying asset provider, for example the deposit taker, fund house, etc.
- ▶ Whether you were resident in the UK at the time you took out the contract with us. If you were not resident in the UK, you may be eligible for compensation from an equivalent scheme in the country you were resident in.

Barclays Bank will be the deposit holder for money held in the IB Bank Account. Barclays Bank is a member of the FSCS established under the Financial Services and Markets Act 2000 which protects customers if a bank goes out of business. However, any money in the IB Bank Account is not covered by the FSCS.

Examples of investments not covered are OEICS, mutual funds and UK Deposit Accounts. This is because the investments are held in the name of Standard Life International Limited which is classed as a large company by the FSA and therefore not eligible to claim compensation under the FSCS.

For Deposit Accounts held outside the UK you won't be covered by the FSCS but a local compensation scheme may apply.

Where FSCS coverage applies it will be under the long term contract of insurance which covers 90% without any limit.

For further information on the compensation available under the FSCS please check their website www.fscs.org.uk

If you have any questions about whether your contract is covered or not, you can speak to your financial adviser or contact us directly.

6. How to contact us

Although your financial adviser should normally be your first point of contact, you can contact us if you have any questions or would like to make any changes to your International Bond.



You can telephone our customer helpline on **0845 300 4273**.

We cannot give financial advice.

Please have your policy number ready when calling. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.



If you prefer, you can write to us at:

Standard Life International
90 St Stephen's Green
Dublin 2
Ireland



We can also be contacted using email at: service@slinternational.ie

There is no guarantee that any email sent to us will be received, or will not have been tampered with. You should not send personal details by email.

7. About Standard Life International

Standard Life International has been set up to sell insurance business from its base in Ireland into the UK, Channel Islands and the Isle of Man.

Standard Life International is authorised and regulated by the Central Bank of Ireland, regulated by the Financial Services Authority for the conduct of UK business and regulated by the Jersey Financial Services Commission for the conduct of Jersey business.

Standard Life International Limited is on the Financial Services Authority Register. The registration number is 446898.

Standard Life International Limited is a wholly owned subsidiary of Standard Life Assurance Limited.

The Standard Life group of companies has been looking after its customers for over 180 years and currently over 6.5 million people worldwide rely on them for their financial needs.

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

Certain classes of product mentioned on this page are provided by certain other companies within the Standard Life group.