Capital Investment Bond

Key features for additional investments only

This is an important document. Please read it and keep for future reference.
The Financial Conduct Authority is a financial services regulator. It requires us, Standard Life, to give you this important information to help you decide whether our Flexible Pension Plan is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

This Key Features Document is for a UK bond and is for use by residents habitually resident in the UK, Channel Islands or the Isle of Man. However, if the Capital Investment Bond is written under Gift Plan, this key features document is only suitable for use by trustees habitually resident in the UK. Due to the technical nature of trusts, it is important that you speak to your adviser before making a decision.

Helping you decide

This Key Features Document will give you information on the main features, benefits and risks of making an additional investment into an existing Capital Investment Bond.

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

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.

If you want further information about the Capital Investment Bond, please speak to your financial adviser in the first instance. You can also phone our customer helpline. Our contact details can be found in part 7. Although we will be happy to answer your questions, we can't give you financial advice.

More general information can be found in our ‘Investing in Onshore Bonds’ (TNB10). You will find further information about using trusts in ‘Protecting your assets’ (IHTS10).

Full details of the terms and conditions that apply to your bond can be found in ‘Policy Provisions for the Capital Investment Bond’ (CIB62).
1. Its aims

The bond aims to give you capital growth and/or income, over the medium to long term.

It also aims to give you access to your money by taking regular or one-off withdrawals. Please see part 4.3 ‘Can I take money out?’ for further information.

A bond can also be held in trust.

A trust is an arrangement where the owner of the property (the settlor) instructs another person (the trustee) to hold and manage that property for the benefit of one or more persons (beneficiary or beneficiaries).

Holding a bond in trust can help with wealth protection and inheritance tax planning.

2. Your commitment

To invest a minimum additional payment of £1,000 into an existing Capital Investment Bond.

To keep at least £300 in your whole Capital Investment Bond if you wish it to stay open.

Your Capital Investment Bond is 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.

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.

When you make the additional investment

If you change your mind and want to cancel your additional investment within the 30 day cancellation period, you may get back less than you paid in. See part 4.8 ‘Other important information - Can I change my mind?’ 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 may not get back as much as you pay in.

To spread your risk, you should consider investing in different investments and asset classes. Then you won’t need to rely 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 charges on the fund.

Some funds invest in overseas assets. This means that exchange rates and the political and economic situation in other countries can significantly affect the value of these funds. Your investment may be worth less than you paid in.

You'll probably be one of many investors in each fund you’re invested in. Sometimes, in exceptional circumstances, we may wait before we carry out your request to transfer or switch out of a fund. This is to maintain fairness between those remaining in and those leaving the fund.

This delay could be for up to a month. But for some funds, the delay could be longer:

► It may be for up to 6 months if it’s a fund that invests in property, because property and land can take longer to sell

► If our fund invests in an external fund, the delay could be longer if the rules of the external fund allow this

If we have to delay cashing in or a switch, we'll use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day you made the request.

External fund managers are in charge of managing their own funds including what they invest in. This means that Standard Life has no control over these external funds’ investment performance or continued availability.
Gift Plan
If your bond is held in a trust, the trust conditions will need to be followed when making changes to the bond. It is important for trustees to ensure that any changes they make to the bond or withdrawals made do not breach the trust conditions.

We strongly recommend that you speak to your adviser for further information on bonds held in trust.

When taking withdrawals out of your Capital Investment bonds
You can take money out of your Capital Investment 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 part 4.3 ‘Can I take money out?’ for more information.

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 wish to cash in your Capital Investment Bond, please speak to your financial adviser or contact Standard Life. Please see part 7 ‘How to contact us’.

4. Questions and answers
This section is intended to help answer some general questions you may have, before covering topics such as:

► Payments,
► Investment choices,
► Income and withdrawals,
► Charging options and charges, and
► Tax.

What is a Capital Investment Bond?
A Capital Investment Bond is a lump-sum investment which is made up of individual policies, or ‘segments’. The number of segments was set up when you first invested in the bond.

Your additional investment will be invested into the existing number of segments.

Your money is invested with the aim of growing your capital and the possibility of a regular income.

If you choose to invest in the Distribution Fund, you have the option to reinvest your income distributions back into the Distribution Fund.

Can I make an additional payment into a Capital Investment Bond?
Yes - additional payments can be paid into a Capital Investment Bond.

The maximum age for a life assured is 84 if you choose the ‘Stepped’ charging option and 89 if you choose the ‘Level’ charging option.

Please see part 4.5 ‘What are the charges?’ for further information.

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 a Capital Investment 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.
How flexible is it?
You can continue to make additional payments into your bond. Please see part 4.1 ‘What payments can I make?’.
You can also choose to switch your investment to other funds, although there may be conditions for doing this. Please see part 4.2 ‘Where is my payment invested?’.
You can take withdrawals from your bond. Please see part 4.3 ‘Can I take money out?’.
You can cash in your bond but an exit penalty may apply. For details of this exit penalty please see part 4.5 ‘What are the charges?’.
You can also transfer ownership of part or all of your bond. This is called assigning.
Note that restrictions may apply, particularly if the bond is held under trust.

4.1 What additional payments can I make?
Minimum payment
The minimum additional payment is £1,000.
Additional payments can only be invested in the funds available at the time of making the additional payment.

Maximum payment
There is no maximum. If you invest more than £500,000, we may offer different terms and conditions.

Payment methods
Payments of less than £1,000,000 can be made by:

- BACS
- Faster payment
- CHAPS/Telegraphic Transfer
- or cheque.

Cheques must be made payable to ‘Standard Life Assurance 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.

4.2 Where is my payment invested?
You can invest your payment in the wide range of funds we offer. You can invest in a maximum of 100 funds at any one time. Each fund is made up of units and your payment is used to buy units in your choice of fund(s).
If you are making an additional payment to an existing bond taken out before 20 October 2006, you can only invest in 12 funds at any one time and up to a maximum of 20 funds in total during the life of your bond.

Some funds will be riskier than others, so it is important to discuss with your financial adviser which funds best match your needs.

Further information on the funds available can be found in ‘Investment Bond fund availability’ (GEN11E) and on our website www.standardlife.co.uk

If you are making an additional payment to an existing bond taken out before 13 September 2004, the ‘Level’ charging option will be automatically applied.

Please note that we may place an investment restriction(s) on any fund at any time, including switches from other funds.

What you get back when you cash in your bond is directly related to the value of the funds you invest in.

The value of investments can go down as well as up. You may not get back as much as you invest.

Switching your investment
You can switch between investments without liability for tax.

A request to switch will result in your existing holdings being sold and new holdings purchased. Please refer to the Capital Investment Bond Policy Provisions (CiB62Cs) for details of how switch instructions are processed, and contact us for details of the timings that will apply to specific transactions.

All investment choices are made at your own risk, so it is important to seek appropriate financial advice. Standard Life is not responsible for the performance or solvency of the external providers of the investments available through the Capital Investment Bond.
4.3 Can I take money out?
You can take money out of your Capital Investment Bond, but this will reduce its value. You can take regular withdrawals (or an income distribution if you are invested in the Distribution Fund), one-off withdrawals or fully cash in your bond.

**Regular withdrawals**
You can take regular withdrawals every:
- month
- three months
- four months
- six months
- year.

Payment will be made direct to your requested bank account. You can also take one-off withdrawals. The minimum for a one-off withdrawal is £125.

You must keep at least £300 invested in your whole Capital Investment Bond if you wish it to stay open. If the value of your bond falls below £300, your bond will be automatically cancelled and the money returned to you.

Your regular withdrawals can be:
- a fixed cash amount, or
- a percentage of your total investment less any partial cash ins.

If you choose a percentage of your total investment less any partial cash ins or a fixed cash amount, you can change your withdrawal amount, subject to any limits that apply at the time.

**Income distributions (these are only available if you have invested in the Distribution Fund).**

The distribution from the Distribution Fund is declared on 16 February and 16 August of each year. You can take the Income Distribution every:
- Month
- Three months (Feb, May, Aug, Nov)
- Six months (Feb, Aug)

If you choose to receive an income distribution monthly or three monthly, the income distribution is paid into your Distribution Cash Fund and then paid at the frequency you have selected to reach your bank account 3-4 working days after the 16th of the month.

The Distribution Fund aims to provide an income of 5% a year. If you choose to take this, please remember that, if the fund does not generate sufficient income to meet the 5% target, and a lower distribution is declared, units would be cancelled to meet the shortfall. This may cause the capital value of your investment to fall.

If the Distribution Fund does not generate sufficient income to meet the 5% target but a 5% income distribution is still declared, part of the income distribution payment will be funded from capital in the Distribution Fund, as the unit price will be reduced and this will reduce the value of your bond.

**Minimum and maximum withdrawal/income amounts from across the whole bond (including any income distributions from the Distribution Fund)**

The minimum regular withdrawal amount is £50.

The minimum one-off withdrawal amount by partially cashing-in part of all segments equally across the bond is £125.

If you choose the ‘Level’ charging option, you can take either a fixed amount or fixed percentage withdrawal of up to 10% a year from your bond. You can only choose the ‘Level’ option if you are making an additional payment to an existing bond taken out between 13 September 2004 and 19 June 2009 (inclusive).

If you choose the ‘Stepped’ charging option, you can take either a fixed amount or fixed percentage withdrawal of up to 7.5% a year from your bond. These maximum allowances are based on the total investments you have paid in less any one-off withdrawals.

**Charges and conditions**
Under the ‘Stepped’ charging option, if you cash in your bond or make a one-off withdrawal from it within the first five years per investment, we will apply an exit penalty. Please see part 4.5 ‘What are the charges?’ for further information.
If you choose to take the full distribution amount from the Distribution Fund, we will not limit the distribution paid even if this makes your total distributions and withdrawals more than the maximum allowed each year.

If you take a withdrawal or cash in your bond, the fund value of your bond will drop. If the fund value of your whole bond falls below £300, your bond will automatically be cancelled.

Gift Plan
To avoid ‘gift with reservation rules’ it is very important that the settlor(s) can’t receive any income or capital from the trust.

Please see the ‘Withdrawals’ section in part 4.6 ‘What about tax?’ for information on the tax treatment of withdrawals for UK residents.

4.4 What is the Phased Investment Option (PIO?)
This option allows you to invest all your money in the Standard Life Money Market Life Fund, and then gradually switch part of your investment out of that fund into other funds over the course of a year.

If you were to invest all of your money into your chosen fund on one day, the performance of your investment would depend on the price of the fund on that day. There is a risk that markets may then fall suddenly. The phased investment option spreads your investment over a year to reduce the impact of this risk, as you will get an average price over the year. With this option you start by investing all your money in the Standard Life Money Market Life Fund. We then gradually switch your investment out of that fund into your chosen fund over the course of a year.

You can choose:

► a 100% switch, which means that 100% of your money will be switched from the Standard Life Money Market Life Fund and invested gradually over one year in your chosen fund(s), OR

► a partial switch, which means that only part of your money will be switched from the Standard Life Money Market Life Fund and invested over one year in your chosen fund(s), leaving the balance of your money invested in the Standard Life Money Market Life Fund.

The PIO only applies if you have specifically selected to set up this option either when you apply to open your bond, or at any time when the bond is in force. If you have selected this option, please note that all other terms and conditions for the Capital Investment Bond will continue to apply.

How does the Phased Investment option work?
The first switch will happen three months after the PIO is set up. For example, if you set up the PIO on the 15th of January, the first switch will happen on the 15th of April. Every time a switch is carried out, a switch statement will be issued to you.

100% switch
If you choose to switch 100% of your investment out of the Standard Life Money Market Life Fund, your switch will be processed as follows:

► Month 3: 25% of the fund value switched.
► Month 6: 33.33% of the remaining fund value switched.
► Month 9: 50% of the remaining fund value switched.
► Month 12: The remaining fund value will be switched.

The percentages vary each month because each switch is based on the value of your investment at the time of your switch and not on your original investment amount. If you choose this option, any valuations you receive may be higher or lower as a result of choosing this option.

Partial switch
If you choose the partial switch, we will switch the percentage that you choose to switch out of the Standard Life Money Market Life Fund into your chosen fund(s) every three months. For example, if you choose to switch 20%, we will switch 20% of your fund value in month 3 and 20% of the fund value in each of months 6, 9 and 12 from the Standard Life Money Market Life Fund into your chosen fund(s). This will leave you with 80% of your investment switched into new funds and 20% of your investment remaining in the Standard Life Money Market Life Fund.

Cancel the PIO
If you want to cancel this option, you must phone us on 0845 60 60 002 at least five working days before the next switch is due to take place. Calls must be received before 5pm. Call charges will vary.

Once an instruction to cancel a switch is received, all future switches using the PIO will also be cancelled. Your money will remain invested in the funds applying at the time of cancellation of the PIO until you contact us with any new switch instructions.
4.5 What are the charges?

There are two charging options – ‘Level’ and ‘Stepped’. The charges described in this section can vary depending on whether you have chosen the ‘Level’ or ‘Stepped’ charging option.

The ‘Level’ charging option is only available if you are making an additional investment to an existing bond taken out on or before 19 June 2009.

Please note that if you’re making an additional payment into an existing bond where units were allocated before 13 September 2004, the ‘Level’ charging option will automatically apply to the additional investment.

The ‘Stepped’ charging option is available if you are making an additional investment to an existing bond that was taken out between 13 September 2004 and 31 January 2013.

We charge for managing your Capital Investment Bond. These charges will affect the value of your bond. The charges that will apply to your bond will be set out in your Personal Illustration.

You cannot switch between charging options once you have taken out your bond.

The charges you will pay are determined by the five components below:

1. Fund management charge
2. Additional expenses
3. Allocation rate
4. Exit penalty

1. 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.

2. 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 current amount is included in your Personal Illustration.

‘Level’ and ‘Stepped’ charging option

The additional expenses are the same for both ‘Level’ and ‘Stepped’ charging options.

Change or cancel chargeable fund based commission (CFBC) on previous investments

You may have set up this type of commission on previous investments. It is not available for additional investments.

You can vary the amount of any existing CFBC 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 CFBC is varied the CFBC charge you pay will also vary. This will affect the investment return on your bond. If you have any queries about changing commission, please speak to your financial adviser.

To change the amount to be paid to your financial adviser or to cancel this payment, you must notify us in writing at least five working days before the next payment is due.

If the payment is yearly, any change to CFBC will replace the existing percentage for the full current year. This percentage will also be used going forward until any future instruction to change is received.

For example, if you decide to change the CFBC charge to 0% before the anniversary/payment date, then your financial adviser will receive no CFBC for that year.

If the payment is monthly, any change to CFBC will apply on the next monthly due date and monthly thereafter.

All correspondence should be sent to us at the address in Part 7 ‘How to contact us’.

The information that follows applies to all charges.

The charges are regularly reviewed and may be altered to take account of changes in assumptions and costs. The charges and their effect on the value of your Capital Investment Bond are shown in your Personal Illustration. As a result of a review of assumptions and costs, we can increase the charges we make if we have reasonable grounds for doing so.

For further information on charges, please speak to your financial adviser or contact us. Please see Part 7 ‘How to contact us’.
4.6 What about tax?
This section only applies if the bond is owned by an individual or individuals resident for tax purposes in the UK.
For trusts this is only suitable if you (the Settlor(s)), Trustees and your Beneficiaries are resident in the UK and intend to remain resident in the UK. If this is not the case then there could be additional tax consequences. Many different factors determine whether a person is resident in the UK so you should speak to adviser if you are unsure about this.
If the Bond is owned by a company or partnership, please refer to your financial adviser for more information.
Standard Life pays tax on the income and any gains on the fund(s) investments. This means that if you are a non taxpayer or a basic-rate taxpayer, you will normally have no additional tax to pay on the proceeds of the bond.

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. This includes any income distributions you take.
If you cash in all or part of the bond, or take 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
You will have to pay tax on a chargeable gain if you are a higher or additional rate taxpayer. However, the rate for this will not be more than the difference between basic and higher or additional rate tax. If you are not sure which rate of tax will apply to you, please speak to your financial adviser.
The chargeable gain is calculated by HM Revenue & Customs as follows:
- When you cash in your bond, the chargeable gain is generally the amount you receive plus any amounts you have previously taken, and/or any amounts you have taken from the bond to pay adviser charges, less the total amounts paid into the bond, less any chargeable gains subject to UK tax 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 bond is generally the cash-in value of the bond immediately before death plus any amounts you have previously taken, and/or any amounts you have taken from the bond to pay adviser charges, less the total amounts paid into the bond, less any chargeable gains subject to UK tax which have arisen on previous withdrawals.
- If you take a withdrawal (including any income distributions), 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 previously. If you would not otherwise be a higher-rate taxpayer, but any chargeable gain, when added to your income, takes your income into the higher-rate tax bracket, the tax payable may be reduced by ‘top slicing relief’. If you want this to be explained further, please seek financial advice.

Chargeable gains are normally assessed on the bond owner. Therefore, if you are a couple, paying different rates of tax, it may be more tax efficient for the partner with the lower tax rate to own the bond.
Your bond may be split into individual policies, or segments, depending upon the amount you have invested. When you take a 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.
When you incur a chargeable gain, the addition of the gain to your income may adversely affect any age related personal allowance to which you are entitled.
Similarly, a chargeable gain may affect your entitlement to working tax credit and child tax credit.
If you want this to be explained further, please seek financial advice.
Laws and tax rules may change in the future. The information in this key features document is based on our understanding in December 2012. Your personal circumstances also have an impact on tax treatment.

Inheritance tax (IHT) liability
Your Bond will form part of your estate on death and may therefore increase your inheritance tax (IHT) liability.
3. Allocation rate

The allocation rate refers to the amount of your payment that is used to buy units in the funds of your choice.

We calculate an individual allocation rate for each additional investment. This is determined by the age of the youngest life assured on the date you make the additional investment, and the sum of the investment (including all previous investments to the bond). The allocation rates for both ‘Level’ and ‘Stepped’ charging options are detailed below.

Allocation Rates – ‘Level’ – only available if you are making an additional payment to an existing bond taken out on or before 19 June 2009.

<table>
<thead>
<tr>
<th>Amount of your investment</th>
<th>Age</th>
<th>69 and under</th>
<th>70 to 84</th>
<th>85 to 89</th>
</tr>
</thead>
<tbody>
<tr>
<td>£100,000 or more</td>
<td></td>
<td>97%</td>
<td>95%</td>
<td>94%</td>
</tr>
<tr>
<td>Less than £100,000</td>
<td></td>
<td>96.75%</td>
<td>94.75%</td>
<td>93.75%</td>
</tr>
<tr>
<td>Less than £50,000</td>
<td></td>
<td>96.75%</td>
<td>94.75%</td>
<td>93.75%</td>
</tr>
<tr>
<td>Less than £25,000</td>
<td></td>
<td>96.75%</td>
<td>94.75%</td>
<td>93.75%</td>
</tr>
<tr>
<td>Less than £15,000</td>
<td></td>
<td>95.75%</td>
<td>93.75%</td>
<td>92.75%</td>
</tr>
</tbody>
</table>

Allocation Rates – ‘Stepped’ – only available if you are making an additional investment to an existing bond taken out between 13 September 2004 and 31 January 2013.

<table>
<thead>
<tr>
<th>Amount of your investment</th>
<th>Age</th>
<th>69 and under</th>
<th>70 to 74</th>
<th>75 to 79</th>
<th>80 to 84</th>
</tr>
</thead>
<tbody>
<tr>
<td>£100,000 or more</td>
<td></td>
<td>101.5%</td>
<td>100.50%</td>
<td>99.50%</td>
<td>98.50%</td>
</tr>
<tr>
<td>Less than £100,000</td>
<td></td>
<td>101%</td>
<td>100%</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td>Less than £50,000</td>
<td></td>
<td>100.75%</td>
<td>99.75%</td>
<td>98.75%</td>
<td>97.75%</td>
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<tr>
<td>Less than £25,000</td>
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<td>100.50%</td>
<td>99.50%</td>
<td>98.50%</td>
<td>97.50%</td>
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<tr>
<td>Less than £15,000</td>
<td></td>
<td>99%</td>
<td>98%</td>
<td>97%</td>
<td>96%</td>
</tr>
</tbody>
</table>

Credits to your bond

Under the ‘Stepped’ charging option, if you keep each investment for five years, we will add units to the value of your bond to the value of 0.5% of that investment each year.

The extra units will be added to your bond every month starting from year six.
4. Exit Penalty

‘Stepped’ charging option
An exit penalty is applied if you have chosen the ‘Stepped’ charging option and cash in your bond within the first five years of each investment. It may also apply if you take a partial encashment.

There is no exit penalty on the ‘Level’ charging option.

Fully cashing in your bond under the ‘Stepped’ charging option
If you cash in all of your bond in the first five years, we will apply an exit penalty. The table below shows the percentage amount we will take for a full cash in.

Example: If your bond is worth £10,000 and you fully cash it in in the first year, we deduct an exit penalty of 10% before paying you the balance of £9,000.

<table>
<thead>
<tr>
<th>If you cash in before the end of year</th>
<th>Charge as a % of your cash in amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
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<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>6 and after</td>
<td>0</td>
</tr>
</tbody>
</table>

Partially cashing in your bond under the ‘Stepped’ charging option
If you cash in part of your bond in the first five years, we will apply an exit penalty which is taken from your bond. This is in addition to the investment amount cashed in.

The total amount that will be taken from the bond can be calculated by dividing the amount you wish to cash in by the following factor shown in the table below.

<table>
<thead>
<tr>
<th>If you cash in before the end of year</th>
<th>Factor for calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.9</td>
</tr>
<tr>
<td>2</td>
<td>0.92</td>
</tr>
<tr>
<td>3</td>
<td>0.94</td>
</tr>
<tr>
<td>4</td>
<td>0.96</td>
</tr>
<tr>
<td>5</td>
<td>0.98</td>
</tr>
<tr>
<td>6 and after</td>
<td>1</td>
</tr>
</tbody>
</table>

\[
\text{Amount wanted through part cash in} = \frac{\text{total amount taken from bond}}{\text{Factor from table above}}
\]

For example, if you want a part cash in of £1,000 in the first year, the total amount taken from your bond is £1,000/0.90 = £1,111.11. The exit penalty is £111.11, and the payout amount is £1,000.

We do not apply the exit penalty to regular withdrawals. However, you cannot take more than 7.5% a year of your investment paid as fixed withdrawal amounts or a fixed percentage.

If you choose to receive the full income distribution amount from the Distribution Fund, we will pay this without an exit penalty, even if the level of distribution and regular withdrawals is greater than 7.5%.
Trusts
If your Capital Investment Bond is held in trust, tax implications can occur in the following circumstances:

- Trust set up
- Withdrawals
- Payment to a beneficiary
- 10 yearly anniversary charge
- Assignments of the bond
- Death of a beneficiary
- Death of a settlor
- Full or partial surrender

Trust taxation is a complex area and will vary. Please refer to your legal or financial adviser for more information.

Laws and tax rules may change in the future. The information in this Key Features Document is based on our understanding in December 2012. Your personal circumstances also have an impact on tax treatment. The future tax position of the Capital Investment Bond or your own tax position may alter.

4.7 What happens to my Capital Investment Bond if I die?
The Bond will continue until the death of the last life assured.

When the last surviving life assured dies, we will cancel all of the units invested in funds at the date we are notified of the death of the last life assured. We will then deduct any exit charges applied by external investment managers to give the cash-in value.

Once all of the investments under the Capital Investment Bond have been sold, we will then pay 100.1% of the total cash-in value. The cost for providing this is allowed for in our charging structure.

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

4.8 Other important questions
Can I change my mind?
You have a right to cancel your additional payment into your contract if you change your mind about making a further investment into your bond. 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.

During this period, if you decide you want to cancel your contract, you should write to us at the address shown in part 6 ‘How to contact us’, 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 make sure that you include your 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 decide to cancel your contract, and we have already received payment, we will refund the payment to the person who made it.

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

How will I know how my bond is doing?
We will register you for our online service and send you a user id and password so that you can check your bond details on our website www.standardlife.co.uk

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

You can call our customer help line on 0845 60 60 002 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.
5. Other information

If you need to complain
We can send you a leaflet on request, summarising our complaint handling procedure.

If you need to complain, you should first write to us at the address shown in part 7 ‘How to contact us’. If you are not satisfied with our response, you can complain to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
LONDON
E14 9SR
Telephone: 0800 023 4567
Switchboard: (020) 7964 1000
Fax: (020) 7964 1001
Website: www.financial-ombudsman.org.uk
E-mail: complaint.info@financial-ombudsman.org.uk
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 Capital Investment Bond Policy Provisions (CIB62Cs) and the trust deed if your bond is held in trust.

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 Capital Investment Bond.

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

Compensation
The Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, 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.

Your contract is a long-term contract of insurance. You will be eligible for compensation under the FSCS if Standard Life Assurance Limited (SLAL) becomes unable to meet its claims and the cover is normally 90% of the value of your claim.

If you choose one of our funds that invests in a mutual fund run by another firm (including Standard Life Investments Limited), you are not eligible for any compensation under the FSCS if that firm is unable to meet its claims. SLAL is not eligible to make a claim on your behalf so the price of a unit in our fund will depend on the amount that we recover from the firm.

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

If you have any further questions, you can speak to your financial adviser or contact us directly.
6. Paying your financial adviser
We don’t facilitate adviser charges by deducting money from any additional investments you make into the bond. You should agree any charges for advice or other services with your financial adviser and pay any agreed fee directly to them.

7. 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 Capital Investment Bond.

If you would like to contact us, you can always phone us, or write to us. You can call us on 0800 634 7471. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

You can write to us at:
Standard Life
1 Baileyfield Crescent
Edinburgh
EH15 1ET
United Kingdom

7. About Standard Life
Standard Life Assurance Limited’s product range includes pensions and investment.

Standard Life Assurance Limited is on the Financial Services Register. The registration number is 439567.
Find out more

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 us on 0800 634 7471
(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.standardlife.co.uk