

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



Key features of the

Capital

Investment Bond

from Standard Life



keyfacts[®]

The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our Capital Investment 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 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.

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Helping you decide

This Key Features Document will give you information on the main features, benefits and risks of the 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 on page 18. Although we will be happy to answer your questions, we can't give you financial advice.

More general information can be found in our 'Capital Investment Bond Guide' (CIB10). 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 the 'Can I take money out?' section on page 8 for further information.

2. Your commitment

To invest a minimum payment of £5,000 or £10,000 if you would like to take a monthly income distribution from the Distribution Fund (please note that you are not required to invest £10,000 entirely in the Distribution Fund, and if you would like a quarterly or half-yearly income distribution the £10,000 minimum limit does not apply).

To keep at least £300 in your 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.

At the start of the bond

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 16 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 6 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 is not responsible for the investment performance or availability of these funds.

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 the 'Can I take money out?' section on page 8 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.

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 bond can be divided into as many as 100 identical individual policies or segments, provided that each has a minimum investment of £500. If you do not tell us how many segments you want, we will give you 100 if your investment is £50,000 or more, otherwise we will give you as many as your investment allows.

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 invest in a Capital Investment Bond?

The minimum age of a bondholder is 18.

The minimum age for a life assured when taking out a Capital Investment Bond is three months.

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. The 'Level' charging option is only available if you are making an additional investment to an existing bond taken out between 13 September 2004 and 19 June 2009 (inclusive). Please see 'What are the charges?' section on page 10 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.

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 Capital Investment Bond in conjunction with a trust, please speak to your financial adviser for details of any restrictions that may apply.

How flexible is it?

You can currently make additional payments into your bond. Please see the 'What payments can be made?' section on page 7.

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

You can also choose to switch your investment to other funds, although there may be conditions for doing this. Please see the 'Where is my payment invested?' section on page 7.

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?' on page 10.

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. For more information on assigning, please speak to your financial adviser.

4.1 What payments can I make?

Minimum payment

The minimum initial payment is:

- £5,000, or
- £10,000 if you would like to take an income distribution from the Distribution Fund (please note that you are not required to invest £10,000 entirely in the Distribution Fund, and if you would like a quarterly or half-yearly income distribution the £10,000 minimum limit does not apply), or
- £60,000 if you select the Discounted Gift Plan.

Maximum payment

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

Additional payments

You may be able to make additional payments to your initial payment, subject to a minimum of £1,000 per additional payment and any maximum age limit.

Additional payments can only be invested in the funds available at the time of making the additional payment.

Payment methods

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

- BACS
- 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 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 additional payments and 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 (CIB62Csi) 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.

You can take withdrawals from one month after the start date of your policy. 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 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 initial investment less any partial cash ins.

If you choose a percentage of your initial 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

(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 'What are the charges?' on page 10 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 bond falls below £300, your bond will automatically be cancelled.

4.4 What is the Phased Investment Option (PIO?)

This option allows you to invest all your money in the Standard Life Sterling Life Fund, and then gradually switch part of your investment out of that fund into other funds over the course of a year. If an investor switches all of their investment on one day, they will be exposed to the unit price of the funds they switch in and out of on that particular day. Using the Phased Investment Option reduces this exposure.

To use this option you must invest entirely in the Standard Life Sterling Life Fund (fund code GR).

You can choose:

- a 100% switch, which means that 100% of your money will be switched from the Standard Life Sterling 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 Sterling Life Fund and invested over one year in your chosen fund(s), leaving the balance of your money invested in the Standard Life Sterling 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 Sterling 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 Sterling 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 Sterling 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 Sterling 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 may 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.

We charge for managing your Capital Investment Bond and for paying commission to your financial adviser. 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.

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.

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
5. Commission

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.

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.

| Amount of your investment | Age | | |
|---------------------------|--------------|----------|----------|
| | 69 and under | 70 to 84 | 85 to 89 |
| £100,000 or more | 97% | 95% | 94% |
| Less than £100,000 | 96.75% | 94.75% | 93.75% |
| Less than £50,000 | 96.75% | 94.75% | 93.75% |
| Less than £25,000 | 96.75% | 94.75% | 93.75% |
| Less than £15,000 | 95.75% | 93.75% | 92.75% |

Allocation Rates – ‘Stepped’

| Amount of your investment | Age | | | |
|---------------------------|--------------|----------|----------|----------|
| | 69 and under | 70 to 74 | 75 to 79 | 80 to 84 |
| £100,000 or more | 101.5% | 100.50% | 99.50% | 98.50% |
| Less than £100,000 | 101% | 100% | 99% | 98% |
| Less than £50,000 | 100.75% | 99.75% | 98.75% | 97.75% |
| Less than £25,000 | 100.50% | 99.50% | 98.50% | 97.50% |
| Less than £15,000 | 99% | 98% | 97% | 96% |

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.

| If you cash in before the end of year | Charge as a % of your cash in amount |
|---------------------------------------|--------------------------------------|
| 1 | 10 |
| 2 | 8 |
| 3 | 6 |
| 4 | 4 |
| 5 | 2 |
| 6 and after | 0 |

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.

| If you cash in before the end of year | Factor for calculation |
|---------------------------------------|------------------------|
| 1 | 0.9 |
| 2 | 0.92 |
| 3 | 0.94 |
| 4 | 0.96 |
| 5 | 0.98 |
| 6 and after | 1 |

The partial cash in is then calculated as follows:

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

For example, if you want a part cash in of £1,000 in the first year, the total amount taken from your bond is $\frac{£1,000}{0.90} = £1,111.11$. 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%.

5. Commission

We pay your financial adviser for arranging the bond and this is paid for from the standard charges on your bond. You do not have any further charge to pay for this type of commission. The amount we pay is shown in your Personal Illustration.

You can also choose to pay a separate commission to your financial adviser called ‘Chargeable Fund Based Commission’.

Chargeable Fund Based Commission

If you instruct Standard Life to pay your financial adviser for the services they provide to you, we will pay your financial adviser Chargeable Fund Based Commission (CFBC). This charge can range from 0.01% to 0.5% of the value of each payment.

You can agree to pay your financial adviser different amounts of CFBC for each of the payments you make to the bond.

Please note that this charge will be in addition to any other commission paid by Standard Life.

CFBC is only available on bonds that were taken out on or after 29 September 2008. If you are making an additional payment to a bond taken out before this date, CFBC will not be available.

How is Chargeable Fund Based Commission paid?

This charge is paid by cancelling units in your bond. Once this charge is set up it will be paid for the duration of your bond, unless you advise Standard Life otherwise.

The charge will be paid at such frequency as agreed by Standard Life and your financial adviser. This can be yearly or monthly. This will be shown on your Personal Illustration.

Details of how the charge is applied are included in your policy provisions (CIB62), which you will receive when the bond is set up.

When is Chargeable Fund Based Commission paid?

Yearly

The CFBC payment date will be on the anniversary of the start date of your bond. This will also be the payment date if any additional investment is made.

Example

In the following table, yearly CFBC would be payable on 1 March 2010 and yearly thereafter. The yearly payment for both investments would be full annual payments. We will not pay your financial adviser a proportionate amount for additional investments that start mid year.

| Investment 2010 | Date | CFBC level | Initial CFBC Due Date |
|-----------------|--------------|------------|-----------------------|
| 1 | 1 March 2009 | 0.5% | 1 March 2010 |
| 2 | 1 June 2009 | 0.5% | 1 March 2010 |

Monthly

The CFBC payment date will be exactly one month after the start date of your bond, and will continue to be paid on a monthly basis.

If any additional investments are made, the CFBC will be paid on the next monthly due date.

Example

In the following table, monthly CFBC would be payable on 1 April 2009 and monthly thereafter. The level of CFBC would increase from 1 July 2009 as a result of the additional investment.

| Investment 2009 | Date | CFBC level | Initial CFBC Due Date |
|-----------------|--------------|------------|-----------------------|
| 1 | 1 March 2009 | 0.5% | 1 April 2009 |
| 2 | 1 June 2009 | 0.5% | 1 July 2009 |

Change or cancel Chargeable Fund Based Commission

You can vary the amount of 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:

Standard Life Assurance Limited
Standard Life House
30 Lothian Road, Edinburgh
EH1 2DH
United Kingdom.

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 the 'How to contact us' section on page 18.

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. If the bond is set up under trust, or 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 (which begins from the first payment date) to more than 5% of the total amounts paid into your bond, part of your benefit may be treated as a 'chargeable gain'.

Chargeable gains

You will have to pay tax on a chargeable gain if you are a higher-rate taxpayer. However, the rate for this will not be more than the difference between basic and higher rates of Income Tax.

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, less the total amounts paid into the bond, less any previous chargeable gains.

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- If you die, the chargeable gain if a cash sum is paid on death is generally the cash-in value of the bond immediately before death plus any amounts previously taken, less the total amounts paid into the bond, less any previous chargeable gains.
- 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. If you want this to be explained further, please seek financial advice.

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 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.

If your bond was not set up under trust, it will form part of your estate on death, and may therefore increase your Inheritance Tax liability. Please seek financial advice if you want to set your bond up under trust.

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 HM Revenue & Customs practice as at September 2009. 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?

If more than one life assured is covered by the life assurance included with the Capital Investment Bond, the bond will continue until the death of the last surviving 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 contract if you change your mind about investing in a bond ('cancellation rule'). 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 (terms and conditions of the Capital Investment Bond Policy Provisions (CIB62Csi).

During this period, if you decide you want to cancel your contract, you should write to us at the address shown in the 'How to contact us' section on page 18, 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.

At the end of the 30 day period, you will be bound by the terms and conditions of the policy and any money received by Standard Life will not be refundable under the cancellation rule.

Where we believe we may be able 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 recorded/monitored to help improve customer service. Call charges may 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 the 'How to contact us' section on page 18. 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: **0845 080 1800**

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 (CIB62Csi).

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) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them.

For further information contact us on **0845 60 60 002** between 9am - 8pm Monday - Thursday, 9am - 6pm on Friday and 9am - 1pm on Saturday. Call charges may vary.

The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim. Further information is available from the FSCS website at www.fscs.org.uk

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 Capital Investment Bond.

Call

If you would like to contact us, you can always phone us, or write to us. You can call us on **0845 60 60 002**. Call charges may vary and we may record/monitor calls to help improve our service.

Write

You can write to us at:

Standard Life Assurance Limited
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH
United Kingdom

7. About Standard Life

Standard Life Assurance Limited's product range includes pensions and investments.

Standard Life Assurance Limited is on the Financial Services Authority Register. The registration number 439567.

Pensions
Savings
Investments
Insurance

Speak soon.

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

0845 60 60 002

www.standardlife.co.uk

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