



Your investment choices and charges

**Explaining the investment options and charges
for our Active Money Self Invested Personal
Pension and Group Self Invested Personal Pension**

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Important information

- ▶ **Before you decide to buy, you need to know what the risks and commitments are. Read our key features document. It will help you decide if this product is right for you. If you're still not sure what to do, you should seek financial advice.**
- ▶ **The value of any investment can go down as well as up, so may be worth less than you paid in.**
- ▶ **If you ask us to do something, and we are charged by an external provider for doing it, we will deduct these charges from your plan.**
- ▶ **We regularly review our charges and may need to increase them to reflect changes in our overall costs or assumptions. Any increases will be fair and reasonable.**
- ▶ **If you transfer your SIPP in the middle of a plan year, we will deduct any yearly charges that would normally be paid in arrears on the day you transfer your money.**

Are you already invested in Sigma funds?

This guide doesn't cover Sigma funds - there's a separate charges sheet for Sigma investments and charges. Any investments in Sigma funds don't count towards the fund values mentioned in this brochure and don't receive any discounts.

Where we refer to 'funds' in this brochure, we mean FundZone funds or Standard Life Investment Policy (SLIP) funds only. In this brochure, we'll refer to SLIP funds as 'pension funds' and FundZone funds as 'mutual funds'.

Choosing your investments

Our Self Invested Personal Pension puts you firmly in charge of your retirement planning. You can choose from thousands of different investment options or you can keep things simple.

You can change your strategy as time goes on, and you'll only pay for the services you use. So if you don't use the more complex features, you won't pay for them. You can do it all yourself or use a professional financial adviser.

This guide covers the investments you can choose through your Self Invested Personal Pension (SIPP) or Group Self Invested Personal Pension (GSIPP). It also explains the charges you'll pay and any discounts you could receive.

Getting started

We have split the investment choices into three levels to make it easier to choose what's right for you. You may also see these referred to as three rings in our older investment literature.

Level 1

The inner ring
Page 2

- ▶ This level offers a choice of investments while keeping things simple
- ▶ Choose from our range of over 190 pension funds, or invest in the SIPP bank account
- ▶ You won't pay administration charges, or fees for transactions or switching – and you'll only pay for the funds you invest in
- ▶ Your investment might also qualify for a discount

Level 2

The middle ring
Page 4

- ▶ Want even more choice? Level 2 includes over 1,800 mutual funds
- ▶ You can also choose to invest in fixed rate bank accounts from Standard Life Cash Savings (a trading name of Barclays Bank plc)
- ▶ Since this level needs more administration, in addition to the fund charges for the funds you invest in, you'll pay a yearly administration charge. But still no charges for transactions or switching
- ▶ And your investment could qualify for a discount

Level 3

The outer ring
Page 6

- ▶ Want our widest range of investment options? This level offers the full range available with our SIPP
- ▶ In total, that's more than 13,000 investment options available including funds, stocks and shares, commercial property and gold bullion
- ▶ This option is suited to more experienced investors
- ▶ As this level often involves the highest amount of administration, including managing third parties, it attracts:
 - a one-off set up charge
 - yearly administration charges
 - other charges depending on your investments

Level 1 investments

Keeping things simple

Lots of our SIPP investors find what they're looking for in level 1. Why? Because you can keep things simple and you'll pay lower charges in this level compared to the others.

Choose from a wide range of pension funds, or our SIPP bank account.

Our pension funds

We give you a choice of more than 190 pension funds from a range of leading fund managers, including Standard Life Investments and other external fund managers.

We've hand-picked a selection of funds, to make it easy to find the investment that's right for you.

The SIPP bank account

Level 1 also gives you access to the SIPP bank account. You can use this account to hold cash for making investments and paying charges, or to shelter money when markets are volatile. There are no charges for using the SIPP bank account.

You earn interest every day on any money in the SIPP bank account – it's paid monthly. Your adviser can give you more details and the current rate.

Any charges that you need to pay are taken from the SIPP bank account – except fund management charges. The SIPP bank account has no overdraft facility, so you need to make sure there's enough money in the account to cover them. If there isn't, we will ask you or your adviser for instructions. And in some circumstances we will sell some of your investments to pay charges.

Choosing a fund to suit you

Want to take a hands-off approach?	If you'd prefer to take a more 'hands-off' approach, with less involvement in managing your investment funds, our managed funds could be more suitable for you. These funds are managed by a single fund manager, who will choose the mix of assets that make up the fund (eg how much to invest in equities or bonds). Our MyFolio funds are an example of managed funds.
Are you a more confident investor?	Would you like to choose your own funds and take a more 'hands-on' approach to managing your investments? Sector funds could be right for you. These let you choose from any number of asset classes including equities, bonds, property and money market instruments.

Fund management charge
Covers management of funds and administration costs. Included in the unit price and collected daily.

For details of the individual charges and expenses for each fund, please see our fund lists: Active Money: SLSIP5C Group: SLSIP5G. Ask your adviser or call us for a copy.

What charges will I pay?

Charges	
Fund management charge	This charge varies depending on the fund. Typically between 1 - 2% a year. Check our fund lists for the charges for each individual fund.
Additional expenses	May be charged by fund managers to cover other fees, like fees for trustees or registrars. This charge will vary, usually between 0 - 1.5% a year. You can find the additional expenses for each fund in our fund lists.

- ▶ No initial or yearly admin charges
- ▶ No transaction charges
- ▶ No dealing charges
- ▶ Normally no switching charges

Are there any discounts?

If the total value of your investment in level 1 pension funds and level 2 mutual funds is £50,000 or more, you could get a discount. We will apply the discount by adding extra units to your level 1 pension funds monthly. If you're a GSIPP customer, your employer may have arranged an alternative discount for your plan - check your plan documents to confirm the value of the discount you may receive.

Total value of funds (level 1 & 2)	Yearly discount rate
Under £50,000	None
£50,000+	0.3% of the level 1 fund
£250,000+	0.4% of the level 1 fund
£500,000+	0.5% of the level 1 fund

If you're invested in a level 1 fund that has a fund management charge of less than 0.8%, it will count towards the total fund value, but won't benefit from the discount. Any investments in bank accounts don't count towards the total fund value and don't receive a discount.



Planning to invest in level 1? You can turn straight to page 8 now. But if you'd like to invest in something different in the future, you can. The other levels of investment are open to you at any time.

Need more choice? There are thousands of different investments with our SIPP. All the options are listed on the next few pages.

Want some help understanding the charges?

There are examples of how they work on page 10.

Level 2 investments

Want more choice?

Level 2 offers even more choice, with over 1,800 mutual funds to choose from. Or you can choose to invest in a fixed rate bank account from Standard Life Cash Savings (this is a trading name of Barclays Bank plc).

These investments are more complex to administer, so an annual administration charge applies, but there's still no charge for transactions or switching.

Mutual funds

We give you a choice of more than 1,800 mutual funds. Some are managed by Standard Life Investments, and others by external fund managers.

Fixed rate accounts

Choose from a 6 or 12 month account with a rate that's fixed for the life of your investment. Your adviser will have details of the current rates.

If you invest in a fixed rate account, you'll only pay the yearly administration charge listed opposite.

What charges will I pay?

Fund management charge

Covers management of funds and administration costs. Included in the unit price and collected daily. Ask your adviser or call us for a copy of the fund list.

Yearly admin charge

Based on the average of the monthly value of your level 1 and 2 funds combined (excluding investments in bank accounts). It's collected on the anniversary of the date your plan started. If you invest in both level 2 and 3, the level 3 charge applies.

Charges	
Fund management charge	This charge varies depending on the fund. Typically between 1 - 2% a year. Check our fund list for the charges for each fund (SLSIP5E).
Additional expenses	May be charged by fund managers to cover other fees, like fees for trustees or registrars. This charge will vary, typically between 0 - 1% a year. You can find the additional expenses for each fund in our fund list (SLSIP5E).
Yearly administration charge	
Fund under £100,000	£233 a year
Fund from £100,000 to £249,999	£116 a year
Fund £250,000 or more	No charge

- ▶ No transaction charges
- ▶ No dealing charges
- ▶ No switching charges

Are there any discounts?

If the total value of your investment in level 1 pension funds and level 2 mutual funds is worth £50,000 or more, you'll get a discount. To apply the discount to your level 2 investment, we will pay cash into the SIPP bank account monthly.

Total fund value (level 1 & 2)	Yearly discount rate
Under £50,000	None
£50,000+	0.25% of the level 2 fund value
£250,000+	0.3% of the level 2 fund value
£500,000+	0.35% of the level 2 fund value

Any investments in bank accounts don't count towards the total fund value and don't receive a discount.



Planning to invest in level 2? You can turn straight to page 8 now. But if you decide that you'd like to invest in something else in the future, you can. Level 3 investments are open to you at any time.

Need even more choice? Have a look at the range of investments available on the next page.

Want some help understanding the charges?

There are examples of how they work on page 10.

Level 3 investments

Want even more choice?

If you want to choose from the complete range of SIPP investments, you can. There's such a wide range of investment options available that we have only listed a selection of the range here. If there's an investment that you're interested in that isn't listed here, we may be able to accept it as part of your SIPP, just ask your financial adviser or give us a call.

Some examples of the investment options available:

- ▶ **Other bank accounts**
Choose an account with another bank to meet your needs
- ▶ **Commercial property**
Buy commercial property (this could be your business premises)
- ▶ **Direct investment in gold bullion**
Open a trading account to buy and sell gold online
- ▶ **Execution-only stockbroker (Stocktrade)**
Invest in stocks and shares with our appointed stockbroker. You can buy or sell online or over the phone with instant access to market prices. A trade will usually take under a minute to complete, and will usually be settled in three business days

Other permitted investments

We can offer a wide range of other opportunities as part of your SIPP. If there's anything you're interested in, speak to your adviser or call us to talk it through.

There are initial and yearly administration charges for these types of investment.

Can I invest in anything I like?

There are some restrictions on what you can invest in, for example we won't allow certain investments like fine wines, works of art, or vintage cars, since the government applies hefty tax charges to these.

If you have an investment in mind, get in touch. We try to be as flexible as possible, and we will get back to you quickly with a firm answer.

Investing in commercial property or gold bullion?

There are separate guides that explain the charges. See our commercial property guide (SLSIP82) or the guide to investing in gold bullion (SLSIP173).



Do you have an investment in mind? Our SIPP lets you choose from thousands of different ways to invest. We're happy to check if we can accept the investment you're thinking about – just call us.

Yearly admin charge

Based on the average of the monthly value of your level 1 and 2 funds combined (excluding investments in bank accounts). It's collected on the anniversary of the date your plan started. If you invest in both level 2 and 3, the level 3 charge applies.

Discretionary Investment Manager

Your investment manager will also charge you for their services. We will collect our charge in advance.



UK share prices are subject to 0.5% stamp duty. Transactions over £10,000 also attract a £1 Panel of Takeovers and Mergers Levy.

What charges will I pay?

Administration charges	
Initial administration charge	£339 one-off charge
Applied when you buy your first level 3 investment	
Yearly administration charge	
Fund under £100,000	£466 a year
Fund from £100,000 to £249,999	£291 a year
Fund from £250,000 to £499,999	£175 a year
Fund £500,000 or more	No charge

Other charges that may apply	
Discretionary Investment Manager charge	£291 a year for each manager you appoint
If you use a Discretionary Investment Manager	
In-specie transfer in charge	£265 one-off charge
If you transfer assets or cash in from another pension, see the information at the foot of this page	
Valuations	No charge for annual valuations
	Additional valuations £48 each (plus any third party charges)

Transaction and dealing charges

There are transaction and dealing charges for buying and selling some investments. Transaction charges apply if you want to transfer out of the SIPP to another provider. We don't usually charge you if you want to transfer in to the SIPP, unless you're transferring assets in-specie from another provider (see the details below). There's a maximum transaction charge of £350 a year (excluding our stockbroker dealing charges).

FundsNetwork & Stocktrade transactions	£11 per transaction
All other transactions	£56 per transaction
Stocktrade dealing charges	0.3% of investment amount Minimum charge per deal £20 Maximum charge per deal £50
Stocktrade charge for investments held by an overseas custodian	£50

Transferring in assets from another pension - in-specie transfer in charge

We don't usually charge you to transfer in to the SIPP. But if you want to transfer assets from another pension scheme into your plan, we will make an in-specie transfer in charge. We will take this charge from the SIPP bank account when we complete the transfer. The charge is applied once for all the assets transferred from the scheme named in the same application form. If you ask us to transfer in assets and cash from another scheme after we have set up your plan, we will charge you the in-specie transfer in charge again. This charge only applies if your plan started on or after 6 April 2011. Separate charges apply for the in-specie transfer of commercial property, please see the commercial property guide (SLSIP82) for the details.

Income drawdown charges

Once you choose income drawdown

These charges apply once you've taken your tax-free lump sum, if you choose income drawdown instead of buying an annuity.

Charge name	Cost	Applies to
Pension fund withdrawal annual review charge We may waive this charge, see the details below	£104 for each request	All levels
Pension fund withdrawal set-up charge One-off charge to set up income drawdown	£182 one-off charge	Level 3 only
Yearly charge for pension fund withdrawal Yearly charge if you're in drawdown	£140 a year	Level 3 only

Charge details

Pension fund withdrawal annual review charge

If you would like to bring forward your regular review, and we agree to do this, we may charge you.

If your adviser processes the review online using Adviserzone, and we have up-to-date valuations of your assets, we will usually waive this charge.

Pension fund withdrawal set-up charge

We will apply this charge when you first choose pension fund withdrawal (income drawdown). You won't have to pay this charge if:

- ▶ your plan started before 1 January 2011, or
- ▶ the only investments in your plan are in level 1 or level 2, or
- ▶ your plan has received an income drawdown transfer payment from another scheme.

Yearly charge for pension fund withdrawal

This applies each year if you have chosen pension fund withdrawal (income drawdown) and you had investments in level 3 at any time in the previous 12 months. The charge applies even if you've taken no income in the previous 12 months.

It's collected on the anniversary of the date your plan started. This charge is payable in addition to the yearly administration charge.

Specialist service to support you

Your adviser can help you find the investment that's right for you, or answer any questions you have.

We have also built a team who can help with your investment needs and guide you through the SIPP investment process.

Our SIPP specialist investment team provide an expert and professional service. Our people are all professionally qualified – either fully or partly – to service investment business. This helps make sure you get the expert service you need. We will discuss SIPP investment options with you, and advise how to access them. If you're not sure whether a particular investment is available, just call us and ask. We will review your request and get back to you quickly, usually the same day.

If we are not able to accept a certain investment, we can talk you through the reasons why, and discuss the alternatives.

For general SIPP enquiries

(like placing trades or requesting valuations)

Active Money SIPP customers

Call the SIPP customer centre on 0845 0845 000

and choose the option that applies

Group SIPP customers

Call the Group SIPP customer centre on 0800 634 7479

For specialist investment questions

Give the team a call on 0845 279 8881

Or email

sipp_specinvestments@standardlife.com

Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

Emails can sometimes get lost or tampered with along the way, so be careful not to send personal information.

How the charges work

These case studies show how the charges and discounts are applied as one customer moves through the different types of investments. They are for illustrative purposes only and should not be considered financial advice.

Level 1

Andrew Busby is in his mid 30s and is saving seriously for a comfortable retirement. He wants to keep things simple and affordable so he sticks to level 1 investments.

Investments

Andrew invests a regular monthly payment of £500, choosing one of our MyFolio Funds. Andrew's SIPP is currently worth £115,000.

What are the charges?

Fund management charge

0.8% a year

Additional expenses

0.5% a year

Large fund discount

0.3% a year

Charges after discount

1.0% a year

Summary

Andrew has chosen a low-cost option, and the large fund discount is used to give him additional units in his fund. There are no administration charges and he can keep money in the SIPP bank account at no extra charge.

Level 2

Andrew is now 48 and wants to take advantage of the greater investment opportunities level 2 offers. He's aware that he will have to pay a bit more for the extra choices.

Investments

His SIPP is worth £200,000. He decides to split his money across a number of different funds, choosing funds from across the spectrum of our FundZone platform, including an up-and-coming fund from an emerging market and an established US fund.

What are the charges?

Fund management charge

1.5% a year average for each of his funds

Additional expenses

0.5% a year average for each of his funds

Large fund discount

0.25% a year

Charges after discount

1.75% a year

Yearly administration charge

£116 a year

Summary

Andrew has chosen to pay a little extra for a greater choice of funds. Since the SIPP is now worth more, he will pay a larger management charge, and more in additional expenses, plus a yearly administration charge.



If you're a Group SIPP customer, your employer may have negotiated a discount for your plan which isn't related to the size of your fund. You may also get a large fund discount. Refer to your plan documents for the details.

Level 3

Andrew is now 60 and has become much more comfortable with investing. He decides to put some of his money directly into shares using our appointed stockbroker.

Investments

Andrew's SIPP is now worth £350,000. He leaves £250,000 invested in funds, which increases his large fund discount to 0.3% of his level 2 funds. He splits the remaining £100,000 – investing £75,000 into company shares. He puts the remaining £25,000 into a fixed rate account with an external bank who are offering a very competitive 5 year deal.

What are the charges?

Fund management charge

1.5% a year average for each of his funds

Additional expenses

0.5% a year average for each of his funds

Large fund discount

0.3% a year

Charges after discount

1.7% a year

Yearly administration charge

£175 a year

Initial administration charge

£339 one-off charge

Fixed rate bank account transaction charge

£56 per transaction

Stocktrade transaction charge

£11 per transaction (up to max £350 a year)

Stocktrade UK dealing charges

0.3% of the amount invested (each deal has a minimum charge of £20 and a maximum charge of £50)

Summary

Andrew has decided to take advantage of more of the investment options our SIPP offers. As a result, there are additional administration charges and other charges applied.

Our charging structure puts you in control. You only pay for what you use and you can turn the charges on and off as you switch investments.

Frequently asked questions

What is my yearly administration charge based on?

The yearly administration charge is based on the type of investments you have held during the charge year and the average value of your investments held in level 1 pension funds and/or level 2 mutual funds during that same period. Your yearly charge will reduce if you have £100,000 or more invested in funds with us.

Does my charge year start when I first buy an investment?

No, your charge year is set based on the date the first payment is made to your SIPP. The date is not set based on when you first buy investments.

My administration charge is described as being taken in 'arrears' but what does this actually mean?

Your administration charge is calculated based on the investments you have held during the previous 12 months, and the charge is deducted from your plan at the end of that 12 month period. The level of charge is based on our charges at the start of that period. This means that if we increase our charges during the 12 month period, you wouldn't need to pay the increased charges for that year, and would start to pay the new charges the year after that.

The administration charge is based on the average fund value but how is this average calculated?

The average fund value is calculated based on the investments you hold in our level 1 and 2 funds during the charge year. We pick the values on the monthly charge dates (which are the same day of the month as the yearly charge date). We then use those 12 values across the year to calculate the average value over the charge year. The values of other investments held in your plan (including the SIPP bank account) are not used when calculating the average.

What happens to my administration charge if I change my investments during the charge year?

The level of charge you pay varies depending on the type of investments your plan holds throughout the year – not just those held at the start or end of the year. So if you change from holding level 1 investments to level 3, or vice versa, even for a short period during the year, your charge will be calculated based on you having held a level 3 investment.

When will I have to pay an initial administration charge?

The initial administration charge is a one-off charge taken when you first buy a level 3 investment, whether that's when you first set up your SIPP or if it's a number of years after setting it up. The charge will only be taken once, no matter how many investments you buy and sell.

Find out more

Call us on **0845 0845 000**

We're open Monday to Friday, 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/sipp