

keyfacts®

*Key features of the*

# Onshore Bond for Wrap

### keyfacts®

The Financial Services Authority is the independent financial services regulator. It requires Standard Life to give you this important information to help you to decide whether our Onshore 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 UK residents only.

#### Its aims

To give you the potential to grow your money, or to provide you with a regular income. If you want both, our Onshore Bond can give you the potential to give a combination of the two.

To give you access to your money by allowing you to take regular or one-off withdrawals.

To provide a range of investment funds to match your investment objectives.

#### Your commitment

You can invest a minimum lump sum payment of £5,000, or £10,000 if Funded Initial Commission is selected by your financial adviser.

There is no minimum payment if your total assets held on Standard Life's Wrap platform are equal to or greater than £100,000.

Your bond has no fixed term. However, because it is set up as a medium to long-term investment, it should usually be held for at least five years.

#### Risks

Your money is not guaranteed. What you get back depends on investment performance and any deductions we make.

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 invested.

You may get back less than the amounts shown in your personal illustration because:

- the growth on your money could be lower than what's shown in your personal illustration
- any withdrawals you make could be reducing the value of your original investment (if your withdrawals are greater than the growth on your bond)
- charges could go up.

Your bond invests in a range of investments, which have different levels of risk.

If you choose to cancel your bond during the 30 day cancellation period, you may get back less than you paid in. This is because the value of your investment may have fallen in the time since you took out your bond.

There may be additional charges if you choose to fully or partially cash in your bond, dependent on how your financial adviser has been remunerated. Please see the 'Charges for commission' section.

If you decide to invest in a property fund, you should be aware that property can be difficult to sell, so you might not be able to sell your investment when you want to. In exceptional circumstances, it could take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.

### Questions and Answers

#### What is an Onshore Bond?

It is an investment bond, made up of 100 individual policies, that invests in one or more funds offered by Standard Life.

#### Who can take out an Onshore Bond?

The minimum age for taking out a bond is 18 years old. The maximum age is 89 at entry.

If Funded Initial Commission is taken then at least one of the lives assured must be under the age of 69.

You have to be resident in the UK to make an investment in the bond. Up to six people can jointly own the bond, and up to six lives assured can be named on the bond.

#### How flexible is it?

You can make additional payments to your bond at any time subject to any maximum age limit, any minimum investment or any other conditions we may set.

The minimum investment for additional payments is £1,000 or £10,000 if Funded Initial Commission is selected by your financial adviser.

Additional payments can be made into any of the funds available at the time of making the payment. There is no maximum amount but if you choose to invest more than £1 million we reserve the right to review your application.

Payments in to your bond are usually made by cheque or from your Wrap Cash Account.

There is no fixed term so you can cash in all or part of your bond at any time.

You can make unlimited free switches between investment funds. We reserve the right to delay switches.

#### What might I get back?

The amount you get back is not guaranteed and will depend on several factors, such as:

- how much you invested
- the length of time you invested for
- the performance of the funds you have chosen

- how much our charges are
- the amount of any regular or one-off withdrawals you have taken.

Your personal illustration gives you an indication of what you might get back.

When you cash your bond in, we will pay you the value of your bond less any 'Outstanding Funded Initial Commission Charge' we may have reclaimed. This only applies if Funded Initial Commission has been selected by your financial adviser.

#### Can I take money out?

Yes. You can take money out at any time, but remember this will reduce the value of your bond.

You can make regular withdrawals, one-off withdrawals or fully cash in your bond.

You can make regular withdrawals every:

- month
- three months
- four months
- six months
- year.

#### Are there any restrictions on how I can take my money out?

You can make withdrawals either from the start of your investment or at any time later. However there are some conditions, and these are:

- the minimum regular withdrawal amount is £50.
- you can make one-off withdrawals of £125 or more.
- payment will be made direct to a nominated bank account of your choice.
- you must keep at least £300 invested in your bond if you wish it to stay open. If the value of your bond falls below £300, your bond will be cancelled automatically and the money returned to you.
- you can only take regular withdrawals of up to 10% a year. The percentage is based on the investment you have paid in less any previous one off withdrawals.

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If Funded Initial Commission is selected and:

- you cash in your bond or part surrender it to below the level of Funded Initial Commission paid to your financial adviser at outset; and
- do this within the 'charging period' (up to a maximum of 6 years from starting your bond)

you will be charged the remaining additional charge which applies to your bond. Please see the 'Charges for commission' section for more information on this.

### Where is my payment invested?

We offer a wide range of investment funds so that you can choose the fund(s) which meet your needs. Your money is used to buy units in your choice of one or more of these funds.

The amount you get back is directly linked to the performance of the underlying assets in which the funds are invested. If you would like more information about the funds available you should speak to your financial adviser.

You can switch in and out of various funds to change the mix of investments, though there may be conditions for doing this.

You can invest in any number of funds at any one time.

We may place an investment restriction on any fund at any time.

### What happens to my Onshore Bond if I die?

If more than one person is covered by the life assurance included with the bond, the bond may continue until the death of the last person covered.

If you are the last surviving person, a cash sum of 100.1% of your current bond value will be paid out on your death. The cost for providing this is allowed for in our charging structure.

### What are the charges?

The charges will affect the value of your bond. Charges under the Onshore Bond can vary depending on the type of fund you invest in.

The investment manager takes a fund management charge which is for the management of your funds. It may also cover some or all of our administration costs. This is a daily charge which will differ depending on the fund you choose. Please speak to your financial adviser for details.

We will invest all of your payments. However, we may need to make deductions to take account of the type of commission your financial adviser is taking. If so, this will be clearly shown on your Personal Illustration. For further information on how this works, please see the 'Charges for commission' section.

The charges and their effect on the value of your bond are shown in your personal illustration.

We can increase the charges we make. We may do so in the future if our costs are higher than originally expected. This might happen if, for example:

- tax rules change
- our staff or overhead costs are more than we expected
- our income from charges is less than we expected

We may also alter the discretionary deductions we take from our funds.

### What are the discretionary adjustments?

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

### Charges for Commission

We may need to make deductions to take account of the type of commission paid to your financial adviser.

#### Initial Charge

If you agree with your financial adviser to pay them Initial Commission, we will deduct a one off charge of 1% of the initial investment for each 1% of commission we pay.

The maximum level of Initial Commission is 8%.

#### Additional Charge for Funded Initial Commission

If you agree with your financial adviser to pay them Funded Initial Commission, we will deduct a charge of 0.2% a year for every 1% of commission we pay to your financial adviser.

This additional charge is based on a percentage applied to the greater of the current value of your bond and the amount of each investment in the bond.

If Initial Commission is also paid to your financial adviser then this charge may increase.

The charge will only apply for 6 years from the start of a policy.

The maximum level of Funded Initial Commission is 4%.

#### Outstanding Funded Initial Commission Charge

If you cash in your bond by making a full surrender within the 'charging period' (up to a maximum of 6 years from the start of your policy), you will be charged an amount reflecting the remaining additional charges which would have applied to your bond.

We will calculate this charge by multiplying the yearly rate of the additional charge that applies by the number of monthly charge dates from the withdrawal date, up to the end of the 6 year period, and then dividing by 12.

We may make an Outstanding Funded Initial Commission Charge on a partial surrender during the 'charging period'. If you are surrendering a portion of your bond on which Funded Initial Commission was paid, we will only make the charge if the residual value of that portion after the withdrawal, is less than the amount of Funded Initial Commission paid.

We will deduct the Outstanding Funded Initial Commission Charge from the surrender value.

#### Regular Charge

If you agree with your financial adviser to pay them Fund Based Renewal Commission, we will deduct a charge of 0.1% a year of the total fund from your plan for every 0.1% of commission we pay.

The maximum level of Fund Based Renewal Commission is 1.5%.

Your Personal Illustration shows what charges may apply and the effect they could have on reducing the value of your investment(s) over time.

Our charges for Funded Initial Commission and Fund Based Renewal Commission will be taken by cancelling units held in your Onshore Bond. Please refer to the 'Onshore Bond Policy Provisions for Wrap' (WRAP IB62) for full details on the process.

Your adviser could choose to take a fee instead of or as well as commission. Your adviser can take a combination of Initial Commission, Funded Initial Commission and Fund Based Renewal Commission. If you require any further information please speak to your financial adviser.

#### What about tax?

Different tax rules apply to bonds set up under trust, or owned by a company. Your financial adviser can give you more information on this.

We pay tax on the income and gains of the funds' investments. This means that if you are a basic-rate taxpayer you will normally have no additional tax to pay on the proceeds of the bond.

You can switch between different investment funds without having to pay tax.

You can withdraw up to 5% a year of the total payments made into your bond without any immediate tax liability. Once you have made withdrawals totalling 100% of the total amount paid into your bond (for example, 5% each year for a period of 20 years), this allowance stops. If you don't use all of this allowance, you can carry it forward into future tax years.

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If you cash in all or part of the bond, or take regular withdrawals amounting in any policy year to more than 5% of the total amounts paid into your bond, part of your benefit may be treated as a 'chargeable gain'.

A policy year is the 12 month period that starts on the date you first take out your policy, and then from the anniversary of that date each year afterwards.

### Chargeable gains

A chargeable gain is generally the amount by which the value of your bond exceeds the amount paid into it.

You will have to pay tax on a chargeable gain if you are a higher-rate taxpayer. The rate of tax payable on a gain arising in the tax year commencing 6 April 2008 is the difference between the lower rate of tax on savings and the higher rate, i.e. 20%.

The chargeable gain is calculated by HM Revenue & Customs as follows:

Amount you received  
**plus**  
any sums of money previously taken  
**less**  
the total amount paid into the bond  
**less**  
any chargeable gains which have arisen on previous withdrawals.

- If you die and a cash sum is paid on your death, the chargeable gain is generally calculated as described above on the value of the bond immediately before the death.
- If you make partial withdrawals, a chargeable gain is calculated for the current policy year by adding all the withdrawals made during the year and deducting the amount of the 5% allowance available, as described above.

If the chargeable gain (when added to your income) takes your income from the basic-rate to the higher-rate tax bracket, you may be able to reduce the tax you pay using 'top slicing relief'. Your financial adviser will be able to explain this relief to you.

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 rate to own the bond. You should consult your financial adviser for further information.

Your bond will be split into 100 individual policies. When you make a partial withdrawal, you may choose to take an equal amount from each policy or to cash in individual policies, whichever method gives you the lower tax liability.

When you incur a chargeable gain, the addition of the gain to your income may adversely affect your entitlement to:

- any age allowance you have (but your allowance cannot be reduced below the level of the ordinary tax allowance)
- 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.

Tax and legislation are likely to change. The information given here is based on our understanding of law and HM Revenue & Customs practice at the date of publication.

### Can I change my mind?

You have a legal right to cancel your contract if you change your mind. You have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Policy Schedule and the Policy Provisions. During this period, if you decide you want to cancel, you should write to us in the address shown in the 'How to contact us' section, instructing us to cancel the contract. Please make sure that you include your Wrap account number and your bond number in any correspondence with us.

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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, and we have already received a 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 bond and any money received by Standard Life will not be refundable under the cancellation rule.

### How will I know how my Onshore Bond is doing?

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

You can also contact your financial adviser who will be able to update you.

### How to contact us

Your financial adviser will usually be able to answer any questions you have on your Onshore Bond, so they should be your first point of contact.

Alternatively, if you have any questions or would like to make any changes to your Onshore Bond, you can phone us, write to us or e-mail us.

Call us on 0845 279 1001. Call charges may vary. We may record/monitor calls to help improve our service. Please have your Wrap account number and your bond number ready when calling.

Write to us at:

Wrap Customer Centre  
Bonds Team  
Dundas House  
20 Brandon Street  
Edinburgh  
EH3 5PP  
United Kingdom

E-mail us at: [wrap\\_servicing@standardlife.com](mailto:wrap_servicing@standardlife.com)

There is no guarantee that any e-mail sent will be received or will not have been tampered with or intercepted during transmission. You may prefer to contact us by telephone or in writing.

## Other information

### How to complain

We can send you a leaflet summarising our complaint handling procedures, on request.

If you ever need to complain, first write to us at the address shown on this page. If you are not satisfied with our response, you may be able to complain to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Telephone: 0845 080 1800  
(call charges may vary).  
Switchboard: (020) 7964 1000  
Fax: (020) 7964 1001

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
E-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Complaining to the Ombudsman will not affect your legal rights.

### Terms and conditions

This Key Features Document gives a summary only. Please contact your financial adviser for full details of the Onshore Bond.

We may change some of the terms and conditions. We will write and explain if this happens. We will also send you a copy of anything that has changed.

### 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 bond.

When we speak about tax and legislation, we base our views on our understanding of law and HM Revenue & Customs practice when we produced this document. Tax and legislation are likely to change in the future.

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

## **Onshore Bond for Wrap**

### **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 (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](http://www.fscs.org.uk).

### **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 is 439567.

**Pensions**  
**Mortgages**  
**Savings**  
**Investments**  
**Healthcare**  
**Insurance**

# Speak soon.

Certain classes of product mentioned on this page are provided by other subsidiaries of Standard Life plc.

Standard Life Savings Limited\*, provider of the Wrap platform, registered in Scotland (SC180203), Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH (telephone number 0845 279 1001). *Calls may be recorded and monitored.*

Standard Life Assurance Limited\*, registered in Scotland (SC286833), Provider and Scheme Administrator of the Standard Life Self Invested Personal Pension Scheme and Standard Life Trustee Company Limited, registered in Scotland (SC076046), Trustee, both at Standard Life House. Standard Life Investments (Mutual Funds) Limited\*, registered in Scotland (SC123322) at 1 George Street, Edinburgh, EH2 2LL. Standard Life International Limited, provider of the International Portfolio Bond, registered in Ireland (408507) at 90 St Stephen's Green, Dublin 2 (authorised and regulated by the Irish Financial Regulator and regulated by the Financial Services Authority for the conduct of UK business). \*Authorised and regulated by the Financial Services Authority.