

# ISA Funds from Standard Life Investments

TERMS AND CONDITIONS

## ISA Terms and Conditions

These are the full Terms and Conditions of the Stocks and Shares Individual Savings Account (ISA). They set out everything relevant to such investments made by you through Standard Life Savings Limited.

## Definitions

<b>We or us</b>	means Standard Life Savings Limited (having our principal administration office at 1 George Street, Edinburgh, EH2 2LL and our registered office at 30 Lothian Road, Edinburgh, EH1 2DH) and our successors and assignees.
<b>You</b>	means the individual investor, or investors where joint applicants.
<b>Simplified Prospectus</b>	means the product disclosure material in relation to the generic product and fund information relating to the investment fund range from Standard Life Savings Limited.
<b>Business Day</b>	means any day that is not a Saturday or a Sunday or Christmas Day, Boxing Day or New Year's Day holiday.
<b>FSA</b>	means the UK Financial Services Authority and any successor UK regulatory bodies.
<b>Pricing Point</b>	means the time at which the Net Asset Value of the underlying assets and cash held by a fund is calculated and divided by the number of shares in issue at that time, thereby deriving the price of individual shares of the fund. Such pricing is carried out on each Business Day.

<b>Dealing Cut-off Point</b>	means the time on any Business Day by which Standard Life Savings Limited must have received all instructions from an investor to purchase, sell or switch shares. At this time it will implement all instructions at the next pricing point for the funds in question available after receipt of that instruction. Instructions received after the dealing cut-off point will be processed at the next again available pricing point for the funds in question. The Dealing Cut-off Point is presently 7.30 a.m. UK time on each Business day.
<b>Fund or Funds</b>	means an individual sub-fund or sub-funds of UK-domiciled, FSA-authorized Investment Companies with Variable Capital (ICVCs).
<b>Shares</b>	means shares in the fund.
<b>Prospectus</b>	means the current prospectus or scheme particulars issued by the manager of a fund and which contains details about that fund.
<b>Manager</b>	the authorised corporate director of an ICVC.
<b>Retail Client</b>	means a client who is neither a professional client or an eligible counterparty.

## Section A

### 1. The parties

We are Standard Life Savings Limited and we are regulated by the FSA to act, inter alia, as a distributor of Funds. We are regulated by the FSA in the conduct of our investment business and are approved by HM Revenue & Customs as an ISA Manager.

You are an individual investor or investors and will be classified by us for FSA purposes as a private customer in our dealings with you. In respect of any investments purchased by you through us, you will appoint our affiliated company Standard Life Savings Nominees Limited as your nominee, to hold all such investments on your behalf. While we will act on your behalf in respect of Share purchases and disposals under these Terms & Conditions, we will not provide you with any investment advice or Fund recommendations. If you require such advice, you should consult your independent financial adviser.

We have delegated certain of our administrative functions to Standard Life Investments (Mutual Funds) Limited (“SLI (MF)”) and have satisfied, and will continue to satisfy, ourselves that SLI (MF) is competent to carry out these delegated functions.

### 2. The ISA

An Individual Savings Account as defined by The Individual Savings Account Regulations 1998, as amended, (‘ISA Regulations’) and approved by HM Revenue & Customs for total exemption from UK income and capital gains taxation.

Our funds issue shares, which are recognised as qualifying investments for a stocks and shares component of an ISA, under the ISA Regulations.

### 3. Taxation

Your investment is held within an ISA. If you invest in income shares, you will receive the gross income distribution(s), the gross interest distribution(s) or the dividend distribution(s), including an amount equal to the tax credit. If you invest in income shares and do not want to have the income paid out, it will be used to buy more shares for you. Income will be paid to you from a client money account. If you invest in accumulation shares, any income due is automatically re-invested in the relevant fund. The retained income increases the value of your investment and is reflected in the price of the shares. The tax recovered or tax credit is used to purchase more shares in the funds you have invested in.

Each tax year runs from 6 April in one year to 5 April of the following year.

All ISA earnings, whether derived from income or capital growth or both, are exempt from both income and capital gains tax. Shares in the funds pay distributions net along with an associated tax credit (dividend distributions) or tax deduction certificate (interest distributions). The reclaim of income tax is required in an ISA to achieve exemption from income tax. We will reclaim tax on your behalf.

If you have invested in income shares, each distribution will include an amount equal to the tax credit or deduction payable at our expense. When we reclaim the tax credit or deduction from the Inland Revenue it will be paid into your ISA and it will then be refunded to us.

If you have invested in accumulation shares, tax will be reclaimed on your behalf and re-invested in your ISA by the purchase of more shares in the relevant fund. If you close your ISA and a tax credit payment of £3.00 or more is outstanding, we will refund this to you.

You should note that any description of tax reliefs in these Terms and Conditions refers to those that are currently applicable at the date of printing and may change in the future. The description is only relevant to persons subject to UK income tax and the value of relief depends on your individual circumstances. You authorise us to account for tax and provide information to the HM Revenue & Customs if they request it.

#### **4. Nominee**

You beneficially own the shares allocated to you in the funds you choose to invest in through us and all other rights and cash sums associated with your investments. Acting on your behalf and in your interests, Standard Life Savings Nominees Limited will hold all shares to which you are entitled as your nominee and its name shall appear on your behalf on the share register of any funds in which you invest.

#### **5. Eligibility**

You must be 18 or over on the date of investment, resident and ordinarily resident in the UK or qualifying for ISA tax benefits as a Crown employee serving overseas or be married to such a person who performs such duties. You can only take out one ISA investing in the Stocks and Shares component in each tax year, but your partner may also invest in his or her own Stocks and Shares ISA in the same year. There is no restriction on how many Stocks and Shares ISAs an individual may eventually hold, taking out one new ISA each tax year, as above. ISA investments must not be used as security for a loan.

#### **6. Your payments**

Payments into the Funds available through us and selected by you may be made by a variety of methods including Direct Debit and cheque. All payments received from you shall be paid into a client money account. Your money will be held in this account pending settlement of the purchase of the shares you have selected. The following conditions should also be noted:

- (i) Minimum payment limits apply and these are £500 for lump sums and £50 for Direct Debits.
- (ii) You can only put money into one Stocks and Shares ISA per tax year (no matter how many different ISAs you may hold) up to the maximum yearly limit permitted under current legislation.
- (iii) Payments must be made from your own account only.

- (iv) For regular monthly payments made by Direct Debit, the maximum amount of the Direct Debit will depend upon the number of remaining months in the tax year.
- (v) We reserve the right to make payments of income or proceeds from the sale of shares to the source from which the investment is made. Payments to a different source or account will require checks to be carried out by us before the payment can be issued.

## **7. Buying shares**

Shares purchased by lump sum payments will reflect the price of the relevant funds at the next pricing point for the funds in question, after the next dealing cut-off point, following our receipt of your instructions at our principal administration office (normally the next business day). Similarly, shares purchased by Direct Debit payments will reflect the price of the relevant funds available at the next pricing point for the funds in question, after the next dealing cut-off point, following collection of your Direct Debit on the 1st day of each month. This will normally be the next business day.

No certificates of share ownership will be sent to you.

Applications for Shares can be made by completing an application form.

We have the right to reject on reasonable grounds relating to the circumstances of the applicant, an application for purchase of shares in whole or in part.

All shares are purchased (and subsequently held) subject to the prevailing terms contained within the relevant prospectus(es) for the funds selected by you.

We also reserve the right to refuse an application if we have reason to believe that the application may be in contravention of any law or regulatory rule or if you have not provided evidence of identity previously requested.

## 8. Identification checks and data protection notice

- (i) To comply with the Money Laundering Regulations of 2003 and the Financial Services and Markets Act 2000, we may verify your identity electronically against public records through an independent agency. This will disclose whether you have a credit history but will not disclose details of any borrowings. Your credit history will show that an identification check has been carried out. This information will not affect your credit rating or be available to third parties.

If we cannot verify your identity electronically then we may request further information from you.

- (ii) We will use the personal information you have given to set up and administer your investment, including purchasing shares in your selected funds and providing valuations and making payments. We will keep the information you have supplied confidential and will not disclose it, unless it is lawful to do so.

If you appointed a financial adviser to act on your behalf, we will make details of your investment available to him and also send copies of correspondence to him, where appropriate, to enable him to give you advice.

If you would like to request a copy of the personal data we hold about you, please write to the Data Protection Co-ordinator at:

Standard Life House  
30 Lothian Road  
Edinburgh  
EH1 2DH

We may charge a fee for providing the information.

## **9. Shareholder information**

We will send you a semi-annual statement. You can also obtain, free of charge, the Prospectus and Simplified Prospectus for each fund in which you have invested by writing to us. If you wish to receive copies of any reports and accounts, notices or other information issued to registered shareholders in the funds in which you are invested, including notification of shareholders' meetings where you may be entitled to vote, you must elect to do so and notify us. You can advise us of your desire to receive such information by writing to us at our principal administration office. Should you elect to receive such information, we reserve the right to charge an administration fee of £30 (plus VAT) for each such communication. This fee would be charged to you and you would need to make separate payment (normally by cheque payable to Standard Life Savings Limited).

## **10. Selling shares**

You can instruct the sale of some or all of your shares on any business day by telephone or by writing to us at our principal administration office. The minimum you can withdraw at any one time is £250. Unless you're investing by regular monthly payments, you must leave a balance of shares to the value of £500 or more to keep the ISA open.

Shares will be bought back by us at the price available on the business day following receipt of your instructions, verbal or written as applicable.

Payment will be made to your bank account or by cheque if no bank details are held, within four business days of us receiving your written confirmation of your sale instructions. Payments to third parties cannot usually be made unless evidence of their identity is provided with your instructions to sell.

We reserve the right to refuse an instruction to sell shares if we have reason to believe that compliance with such a request may be impractical or in contravention of any law or regulatory rule or if you have not provided evidence of identity previously requested.

## 11. Switches

You may exchange shares you hold for shares in another fund, or shares of another class in the same fund, available through us, provided there are shares in issue in the fund. You may instruct such a switch on any business day by telephone or by writing to us at our principal administration office.

There will be a minimum 0.25% charge for a switch and details of the charge will be notified to you at the time of the switch. There will be no charge for switching into CAT standard funds or between CAT standard funds. Switches into CAT standard funds are only permitted to existing holders of these share classes.

Shares will be exchanged at the prices available on the business day following receipt of your instructions.

## 12. Transfers

At your request an ISA may be transferred from one ISA Manager to another, without loss of tax relief, in accordance with the terms of the ISA Regulations. The date of transfer is the date agreed between the respective ISA Managers and shall be no longer than 30 calendar days from and including the date of receipt of your request to transfer the ISA. The current year's payments must be transferred in whole. Shares will be sold at the price available on the working day following the receipt of the transfer confirmation from your new ISA manager.

## 13. ISA termination

We will notify you if the ISA has (or will) become void due to failure to satisfy the ISA Regulations. We shall be entitled to terminate an ISA and redeem all shares accredited to you if:

- (i) any information provided on your application form is found to be factually incorrect;
- (ii) more than TWO consecutive monthly payments are missed under Direct Debit arrangements, without prior notice. If the value of shares is less than £500, a cheque will be sent to you. If the value is more than £500, Direct Debits will cease and the ISA will continue until you inform us otherwise.

In certain circumstances the HM Revenue & Customs will contact us and ask us to repair your ISA. These circumstances are where:

- (i) you are invested in more than one ISA in any tax year;

Any termination referred to above will be subject to the shares being sold at the price available on the following working day after we have elected to sell the shares.

The appointment of the ISA Manager may be terminated at any time by either party giving written notice to the other.

The ISA, together with all associated tax benefits, will automatically cease if you die. A valuation of your investment at the date of your death will be provided to your personal representatives on request. Although your ISA will no longer be in force, the shares will still be held in the appropriate funds (and therefore subject to daily price movements as normal) until further instructions are received from your personal representatives to either sell the shares or register them in the name of a new shareholder.

## **14. Pricing**

Prices of shares are based on the value of the underlying assets of the funds. Prices can be obtained by calling freephone 0845 279 3003. Alternatively, you can find daily prices on the Internet site: [www.standardlifeinvestments.com](http://www.standardlifeinvestments.com). You should remember that these are historic prices reflecting the previous day's trading and are not, therefore, prices at which we are able to deal.

## **15. Income distributions**

Income is made up of either interest or dividends. If you invest in income shares, any distribution of income will be paid to you, normally into your bank account. We will make payment by cheque if no bank details are held.

If you invest in income shares and do not want to have the income paid out, it will be used to buy more shares for you. Please contact us for more information on this option.

If you invest in accumulation shares, any income received by the fund from its underlying investments is accumulated within the fund and this is reflected in the published share price.

In relation to any shares purchased, the first income distribution paid may include an amount of equalisation. This equalisation reflects income in the price of shares issued in that accounting period. As it is treated as a return of capital, it does not generate a tax credit. Any equalisation received in respect of shares of the same class of a particular fund purchased in an accounting period will be aggregated and distributed across all shares of that fund on an average basis.

## 16. Yields

The following information about yields relates to bond funds.

The projected total yield is the total expected return, gross of tax, on the underlying assets of a fund. It takes into account the income together with the capital gain or loss to maturity, spread over the life of the bonds, after deduction of the charges.

The projected income yield is the yearly interest payment, gross of tax, divided by the market price of the security, expressed as a percentage, after deduction of charges.

The return to shareholders will depend on the income they receive and the price of shares when they sell their investment, and could be higher or lower than the projected total yield.

## 17. Charges

- There are no extra charges for investing in the ISA other than those normally associated with an investment in your designated fund or funds. Details of the charges for each fund can be found in the Simplified Prospectus. The maximum initial charge for each fund is 7.5%.
- Any increase in the initial charge up to or towards the stated maximum requires written notice of not less than 90 days to be given to regular savers in the fund concerned.

- A yearly management charge is taken from the income generated by your investment and is worked out as a daily percentage of the underlying value of the fund and taken at monthly intervals.
- The maximum yearly management charge for each fund is currently 2.0%. Any increase in the yearly charge up to or towards the stated maximum requires written notice of no less than 90 days to be given to shareholders in the fund concerned.
- Further fees and expenses include audit, custody, depository and regulatory fees. These are paid as they fall due by the ACD for the AAA Income Fund and Global Advantage Fund, and paid from the funds in all other instances.
- We may provide your adviser with benefits and services (e.g. training events, seminars and technical support) to help enhance the quality of the service they are able to provide to customers. If you would like details of any benefits and services that we have provided to your adviser, please phone us on 0845 279 3003

## **18. Your right to cancel**

If you are acting on the advice of a financial adviser you will normally have the right to cancel any contract relating to the initial investment in any of the funds offered through us under current financial services legislation. You have thirty days to cancel your investment from the date of your investment. If you wish to cancel your investment, please write to us at the address given. This cancellation entitlement will give you 30 days to notify us that you do not wish to proceed with your purchase. If you decide to cancel, you may get back less than your original investment if share prices fall during the cancellation period.

## **19. Amendment**

We may amend these Terms and Conditions at our sole discretion. Any changes that may materially affect you shall be conditional upon our giving you three months written notice, unless such changes are required by a change to law or regulatory rules.

## **20. Termination**

These Terms and Conditions and the service provided hereunder may be terminated at any time by either party giving written notice to the other.

Such termination will be effective immediately but transactions already instructed by you as at the date of giving such notice, but not yet implemented, will be completed in accordance with these Terms and Conditions notwithstanding our receipt of your notice to terminate.

## **21. Notices**

Any notices sent to us will only be effective when actually received at our principal administration office. If we send a notice to you at the address we hold on our records, we will assume that it has been received within two Business Days of posting. It is therefore essential that any address and all other information given on your application form are correct. If this information should change in any way, it is your responsibility to inform us, in writing or by telephone, as soon as possible.

The head office of Standard Life Savings is at Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.

## **22. Jurisdiction**

These Terms and Conditions are governed by and construed in accordance with Scots Law. Acceptance of these Terms and Conditions therefore acknowledges the exclusive jurisdiction of the Scottish Courts for any dispute that may arise in the future.

## **23. Client money**

We operate client money accounts. These do not pay out any interest to customers.

## **24. Best Execution**

We operate a Best Execution Policy. This governs how we act to ensure we receive the best price for you. Full details of our Best Execution Policy are available on request by contacting Standard Life Savings Limited, 30 Lothian Road, Edinburgh, EH1 2DH.

## **25. Conflicts of Interest**

A conflict of interest can be defined as a situation where the interests of a business, including its managers and employees, conflict with those of a

client, or where there is conflict between one client, or group of clients of the business and another.

Conflicts of interest exist in all businesses. At Standard Life Savings we recognise that our business is based on a contract of trust and integrity with our clients and we are duly bound to identify and manage conflicts that may or do arise.

A number of obligations are placed on Standard Life Savings Limited's management and staff to identify and manage any conflicts of interest between:

- Standard Life Savings including its managers, employees and appointed representatives or any person directly or indirectly linked to them by control, and a client of Standard Life Savings;
- One client of Standard Life Savings and another client;
- That arise or may arise in the course of Standard Life Savings providing services.

We have therefore implemented a variety of policies, procedures and processes designed to identify and manage any potential or actual conflicts. Full details of the Conflicts of Interest Policy are available on request by contacting Standard Life Savings, 30 Lothian Road, Edinburgh, EH2 2LL.

## **26. Complaints and compensation**

If you wish to complain about any aspect of the service you receive from us, or would like us to send you a copy of our internal complaints-handling procedure, please contact us on 0845 279 3003 or, alternatively, write to us at:

Standard Life Savings Limited  
1 George Street  
Edinburgh  
EH2 2LL

Standard Life Savings Limited is a member of the Financial Ombudsman Service. Complaints we are unable to settle to your satisfaction may be referred to the Financial Ombudsman Service. Their address is:

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

Telephone: 0845 080 1800

E-mail: [enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### **Financial Services Compensation Scheme**

The Standard Life group is covered by the Financial Services Compensation Scheme. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 claimed and 90% of the next £20,000, so the maximum compensation is £48,000. More information about compensation arrangements is available from us or from the Financial Services Compensation Scheme.

Unless expressly agreed in writing between us otherwise, we will treat you as a Retail Client under FSA Rules. Being a Retail Client does not necessarily mean you will be eligible to refer any complaints about us to the Financial Ombudsman Service or be entitled to compensation under the Financial Services Compensation Scheme if Standard Life group cannot meet its obligations to you.

## **27. Depositary**

JP Morgan Trustee and Depositary Company Limited acts as Depositary for the funds. The role of the Depositary is to protect your interests by safeguarding the fund's assets and ensuring that the Authorised Corporate Director (ACD) complies fully with the terms of the Instrument of Incorporation, Prospectus and all current regulatory requirements. The Depositary is authorised and regulated by the Financial Services

Standard Life Investments Limited, tel. +44 131 225 2345, a company registered in Scotland (SC123321) Registered Office 1 George Street Edinburgh EH2 2LL.

The Standard Life Investments group includes Standard Life Investments (Mutual Funds) Limited, SLTM Limited, Standard Life Investments (Corporate Funds) Limited and SL Capital Partners LLP. Standard Life Investments Limited acts as Investment Manager for Standard Life Assurance Limited and Standard Life Pension Funds Limited.

Standard Life Investments may record and monitor telephone calls to help improve customer service.

All companies are authorised and regulated by the Financial Services Authority.

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