

Your investment choices and charges

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

Standard Life

Part of Phoenix Group

Contents

Level 1 investments	4
Level 2 investments	6
Level 3 investments	8
Income drawdown charges	10
Specialist service to support you	11
How the charges work: case studies	12
Frequently asked questions	14



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. There is likely to be a cost for this.

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 the whole plan is cancelled, transferred out, used to buy retirement benefits or terminated following a death, we'll deduct annual charges that would normally be paid in arrears at the point of termination.

All charges are taken from the SIPP Bank Account, except for fund management charges, execution-only stockbroking charges levied by Stocktrade (our execution-only stockbroker), and charges for the investment choices made by a Discretionary Investment Manager. If there's not enough money in the SIPP Bank Account to cover the applicable costs, we reserve the right to sell investments to cover these costs. For more information on the SIPP Bank Account, please see the key features document.

Please note that this document provides general guidance in relation to your plan and you should refer to the terms and conditions if you have any queries in relation to our respective rights and obligations.

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). 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.

Level 1 Page 4	<ul style="list-style-type: none">• This level offers a choice of investments while keeping things simple• Choose from our range of over 300 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
Level 2 Page 6	<ul style="list-style-type: none">• Want even more choice? Level 2 includes over 4,000 mutual funds• Since this level needs more administration, in addition to the fund charges for the funds you invest in, you may pay a yearly administration charge. But still no charges for transactions or switching• Where you invest in SIPPZone mutual funds, you'll also pay a fund administration charge
Level 3 Page 8	<ul style="list-style-type: none">• Want our widest range of investment options? This level offers the full range available with our SIPP• You can choose from the thousands of 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:<ul style="list-style-type: none">• 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 300 pension funds from a range of leading 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 may earn interest every day on any money in the SIPP bank account – and if so, it's paid monthly.

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.

If you have cash in the SIPP Bank Account, the rate of interest we pay you will generally be 1% below the Bank of England base rate (This means that if the base rate is 1% or less we will pay you 0% unless we tell you otherwise).

We currently keep interest to cover the costs of running the account. You can see the current retained interest rate in your personal illustration.

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). The 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 at standardlife.co.uk

What charges will I pay?

Charges

Fund management charge

This charge varies depending on the fund. 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. You can find the additional expenses for each fund in our fund lists.

- No initial or yearly administration charges
- No transaction charges
- No dealing charges
- Normally no switching charges

Are there any discounts?

You may receive a yearly discount based on how much is invested in your level 1 pension funds and level 2 mutual funds. We will apply the yearly discount by adding extra units to your level 1 pension funds monthly.

Total value of funds (level 1 & 2)	Yearly discount rate
Under £25,000	0.3% of the level 1 fund
£25,000+	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? The next few pages about levels 2 and 3 won't apply to you. 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 12.

Level 2 investments

Want more choice?

Level 2 offers even more choice, with over 4,000 SIPPZone mutual funds to choose from.

These investments are more complex to administer, so administration charges may apply, but there's still no charge for transactions or switching.

Mutual funds

We give you a choice of more than 4,000 SIPPZone mutual funds. A monthly fund administration charge will apply. If you have less than £50,000 invested in mutual funds, the annual charge will also apply.

Fund management charge

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

Please note that any investments you have in level 3 trigger level 3 charges but DO NOT count towards the tiering charges for the Monthly fund admin charge.

Monthly fund admin charge

Based on the value of your level 1 and 2 funds combined (excluding investments in bank accounts). It's collected on the monthly plan charge date.

What charges will I pay?

Charges

Fund management charge

This charge varies depending on the fund. Check www.standardlife.co.uk for the charges for each fund.

Additional expenses

May be charged by fund managers to cover other fees, like fees for trustees or registrars. This charge will vary.

Yearly administration charge

Fund under £50,000

£262 a year

Fund £50,000 or more

No charge

Monthly fund admin charge

We show here what you'll pay in a year, but we take the charge monthly. More details on how this works are on page 12.

Fund under £100,000

0.6% of the SIPPZone fund value a year

Fund from £100,000 to £249,999

0.55% of the SIPPZone fund value a year

Fund from £250,000 to £499,999

0.45% of the SIPPZone fund value a year

Fund £500,000 or more

0.4% of the SIPPZone fund value a year

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



Planning to invest in level 2? The next few pages about level 3 won't apply to you. 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 12.

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).



0345 0845 000

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. Call charges will vary.

What charges will I pay?

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 yearly charge date (normally the anniversary of the date we expect to receive the first payment).

Discretionary Investment Manager

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

Administration charges	
Initial administration charge Applied when you buy your first level 3 investment	£382 one-off charge
Yearly administration charge	
Fund under £100,000	£524 a year
Fund from £100,000 to £249,999	£328 a year
Fund from £250,000 to £499,999	£197 a year
Fund £500,000 or more	No charge
Other charges that may apply	
Discretionary Investment Manager charge If you use a Discretionary Investment Manager	£328 a year for each manager you appoint
In-specie transfer in charge If you transfer assets or cash in from another pension, see the details at the foot of this page	£298 one-off charge Does not apply to internal transfers between our Active Money SIPP and Wrap SIPP
Valuations	No charge for annual valuations Additional valuations £54 each (plus any third party charges)



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

Please note

If you are an advised customer, a platform service fee of 0.25% will apply to the funds you have invested on the FundsNetwork platform. If you would like any further details or do not have an adviser on the plan, please contact us.

Transaction and Stockbroking Charges

There are transaction charges that Standard Life may apply for buying and selling some investments. The £12 charge is for any trading on the FundsNetwork or Stocktrade platforms, other level 3 trading typically has a £62 charge. Transaction charges apply if you want to transfer out of the SIPP to another provider. There's a maximum transaction charge of £394 a year.

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 details below).

If you have chosen to invest in stocks & shares, they are traded through our execution-only stockbroker (Stocktrade) who have their own additional charges. These charges are detailed below and further information can be found in our Execution-only Stockbroking guide, SLSIP23.

Transaction Charges	
Charge for FundsNetwork & Stocktrade transactions	£12 per transaction
Transaction charge for all other Level 3 investments	£62 per transaction
Stocktrade charges	
Dealing charge	0.3% of investment amount Minimum Charge per deal £15 Maximum Charge per deal £75
Standard Account Charge	£70 a year
Offline Trading Charge	£30
Cross Border Charge	£100
Supplementary account charge	£375 a year
Charge for investments held by an overseas custodian	£50

Transferring in assets from another pension plan – 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. This charge doesn't apply to in-specie internal transfers between Active Money SIPP and Wrap SIPP or vice versa. 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 if you choose income drawdown instead of buying a guaranteed income for life (annuity).

Charge name	Cost	Applies to
Yearly charge for pension fund withdrawal Yearly charge if you're in drawdown	£158 a year	Level 3 only

Charge details

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 yearly charge date (normally the anniversary of the date we expect to receive the first payment). This charge is payable in addition to the yearly administration charge.

Important information on charges

- If we have provided an online facility for you to change your income instruction and you request an income instruction change without using the online facility, we will normally apply an administration charge of £25. We will not apply the charge for the first income instruction change a year. We will not apply the charge if your adviser makes the request.

Please note that the pension fund withdrawal charge will also apply if we have received a transfer of benefits in drawdown into your SIPP.

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 0345 0845 000 and choose the option that applies. Call charges will vary.

For specialist investment questions

Give the team a call on 0345 279 8881

Or email

sipp_specinvestments@standardlife.com

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 the 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

Fund discount

0.5% a year

Charges after discount

0.8% 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 the SIPPZone range, including an up-and-coming fund from an emerging market and an established US fund.

What are the charges?

Fund management charge

0.65% a year average for each of his funds

Additional expenses

0.5% a year average for each of his funds

Yearly administration charge

No charge

Monthly fund administration charge

0.55% a year

Summary

Andrew has chosen to pay a little extra for a greater choice of funds. Since the SIPP is more complex to administer, he will now pay monthly fund administration charges.

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 Stocktrade.

Investments

Andrew's SIPP is now worth £350,000. He leaves £300,000 invested in funds, which reduces his monthly fund administration charge to 0.45% of his level 2 funds each year. He places the remaining £50,000 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

0.65% a year average for each of his funds

Additional expenses

0.5% a year average for each of his funds

Yearly administration charge

£197 a year

Monthly fund administration charge

0.45% of his level 2 funds a year

Initial administration charge

£382 one-off charge

Fixed rate bank account transaction charge

£62 per transaction

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.

Frequently asked questions

How is my monthly fund administration charge calculated?

It's a percentage of the value of your SIPPZone funds on the monthly plan charge date. The percentage we use depends on the combined value of your level 1 and level 2 funds on that date. As we express the percentage as a yearly rate, we'll only collect 1/12th of the relevant percentage each month.

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 for level 2 investments could reduce if you have £50,000 or more in level 1 and level 2 investments with us. Similarly, your yearly charge for level 3 investments could reduce if you have £100,000 or more invested in our level 1 and 2 investments (excluding investments in the SIPP Bank Account).

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 expected to be 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 yearly 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 higher charges the year after that.

The yearly 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 0345 0845 000

We're open Monday to Friday, 9am to 5pm. Call charges will vary.

www.standardlife.co.uk/sipp

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