

Pension plan investments require regular updating to make sure that they continue to meet your changing needs. Standard Life's traditional lifestyle profiles allow you to pick an investment strategy for your pension when you first set it up, which will do the updating for you.

Lifestyle profiles are designed for customers investing for retirement. The funds used within them depend on the profile chosen and will also depend on how long you have until your selected retirement date. If this date is some time away (typically more than 10 years), lifestyle profiles will invest in funds that offer growth potential over the long term (although please remember that all funds can go up and down in value and investment growth is not guaranteed).

As you get closer to retirement, the investment aims of the profile move away from growth and towards preparing your pension pot for retirement. The profiles will do this by automatically switching your funds – you don't need to do anything.

Please note that these profiles may not be suitable for everyone (e.g. they may not be suitable for customers who aren't considering annuity purchase, or those who intend to buy a pension that varies each year at a rate linked with inflation, or those who do not intend to retire at their selected retirement age).

If you choose to invest in a lifestyle profile, you can also invest in with profits (if available), but you can't combine a lifestyle profile with any other investment, including another lifestyle profile. Please refer to the guide 'How to choose the right investment options for your pension' for details on the with profits fund applicable to your plan.

You should also note that with profits is not available with the Self Invested Personal Pension, the Active Money Personal Pension, the Group Flexible Retirement Plan, the Group Self Invested Personal Pension and the Trustee Buy-Out Plan*.

* These lifestyle profiles are only available when the scheme was set up before March 2011.

Choosing your investment option(s)

We believe that this decision should be reached after considering the following:

- ▶ its potential to provide investment growth
- ▶ whether the level of risk is acceptable to you.

However, most people's idea of 'an acceptable level of risk' changes as they approach retirement:

- ▶ If you have many years left before retirement you may be more willing to accept a higher level of risk if there are prospects for greater growth as your investments will have more time to recover from any falls in value.
- ▶ As you approach retirement your aim may be to align your pension pot with your retirement plans and reduce the effect on your retirement benefits of changes in the value of investment markets. Lifestyle profiles do this for you.

Different profiles for different people

As you approach retirement the general trend is to move from seeking growth to trying to protect your pension pot. However, we understand that people often have very different views on risk and investment. Therefore we have a range of different profiles:

| Profile | Profile code |
|-------------------------------------|--------------|
| Cautious Managed | 2CAU 3CAU |
| Balanced Managed | 2BAL 3BAL |
| Cautious Managed II | 4CAU |
| Balanced Managed II | 4BAL |
| Global Equity | 1GLO |
| Global Equity II | 5GLO |
| BlackRock (50:50) Global Equity* | 1BGI |
| BlackRock (50:50) Global Equity II* | 7BGI |

* Closed to new business from December 2011.

How lifestyle profiles work

Lifestyle profiles automatically change the funds you are invested in based on how long you've got until your selected retirement date. As you get closer to retirement, the investment aims of the profile move away from growth and towards preparing your pension plan for your selected retirement date.

The graphs on the following pages show how your pension payments will be invested depending on your chosen profile.

We have two ranges of profiles, one for Group AVC Contracts only and another range for other pension contracts.

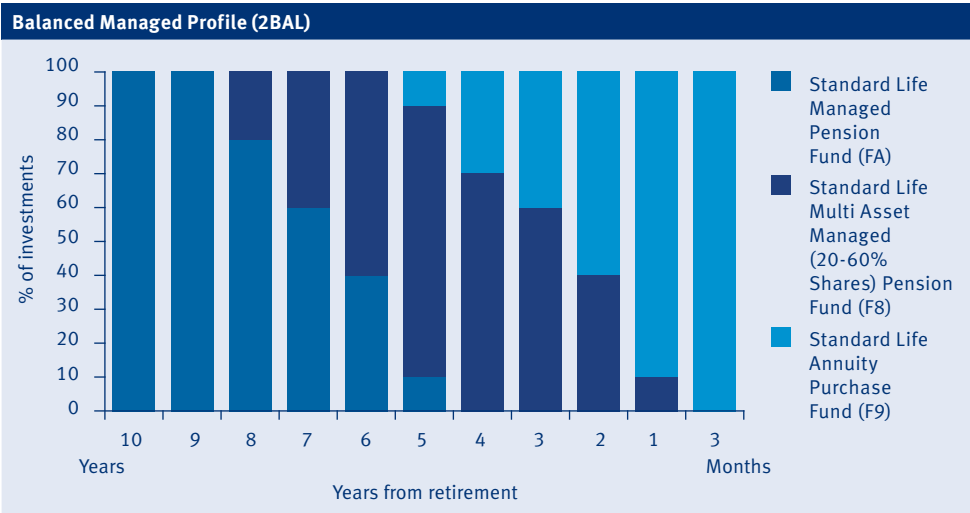
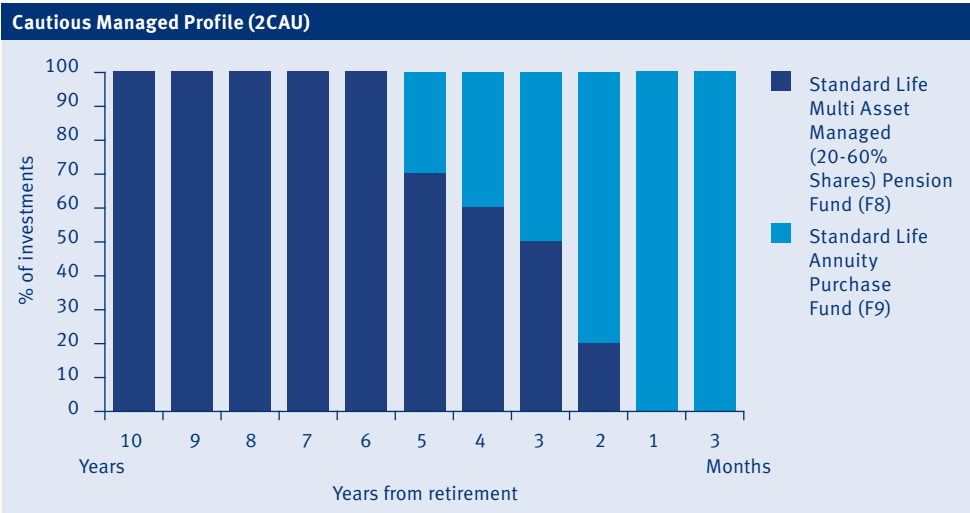
For Group AVC contracts:

- ▶ The Cautious Managed and Balance Managed profiles are designed for buying an annuity. They may not be appropriate if you wish to take a 25% tax-free cash lump sum.
- ▶ The Global Equity and BlackRock (50:50) Global Equity profiles are designed for buying an annuity and taking a 25% tax-free lump sum.

For other pension contracts:

- ▶ All profiles are designed for buying an annuity and taking a 25% tax-free lump sum.

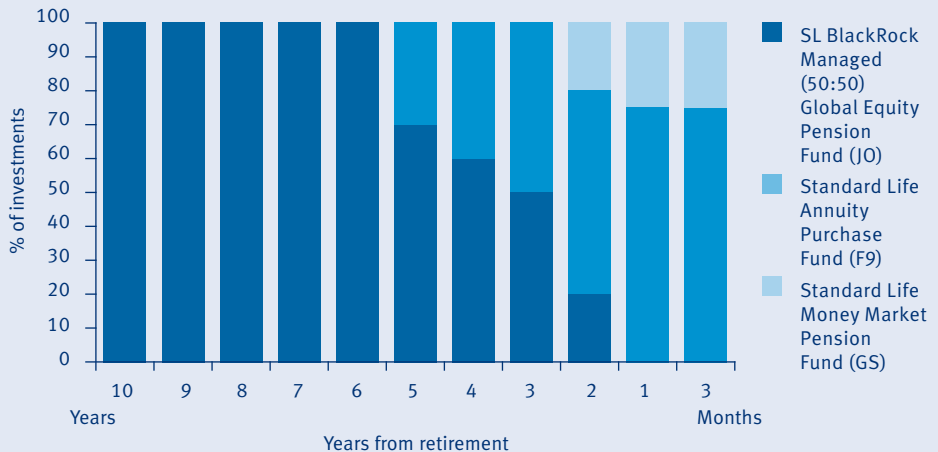
Profiles available to Group AVC contracts only



Global Equity Profile (1GLO)

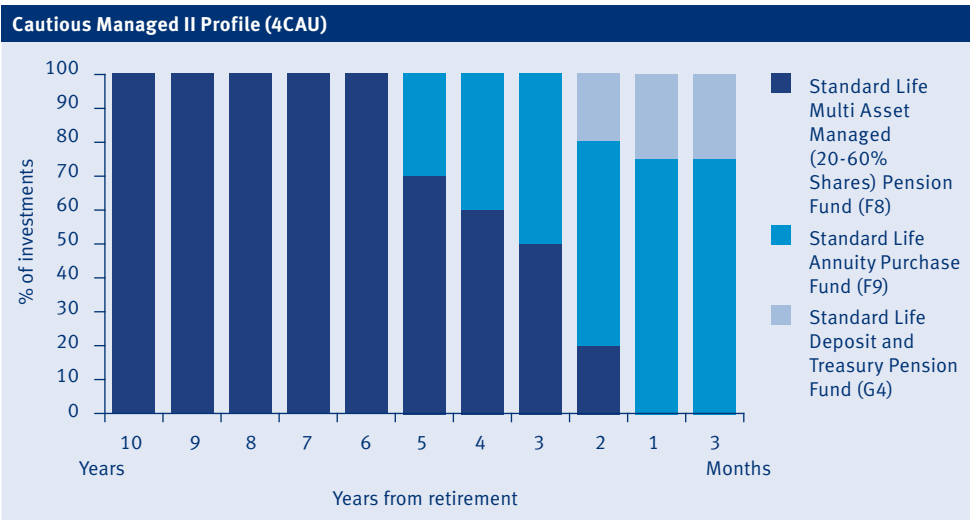
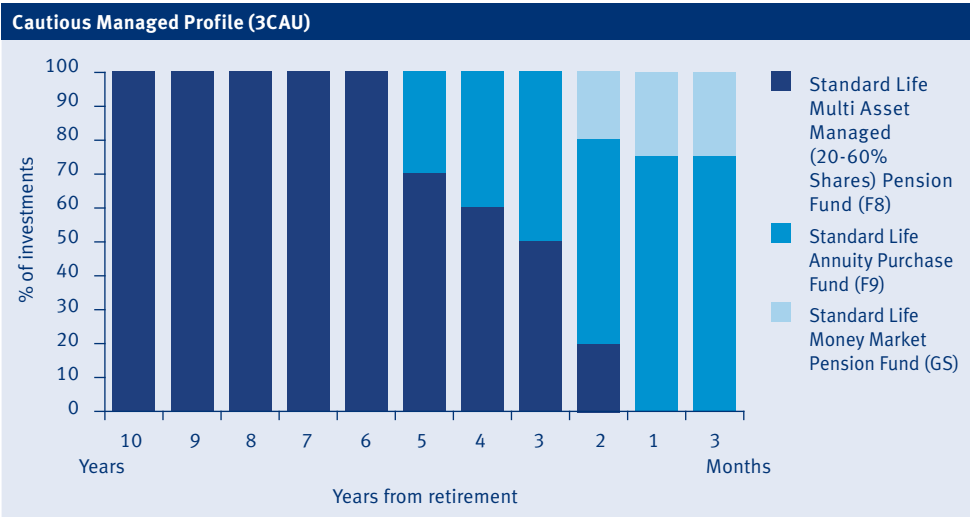


BlackRock (50:50) Global Equity Profile* (1BGI)

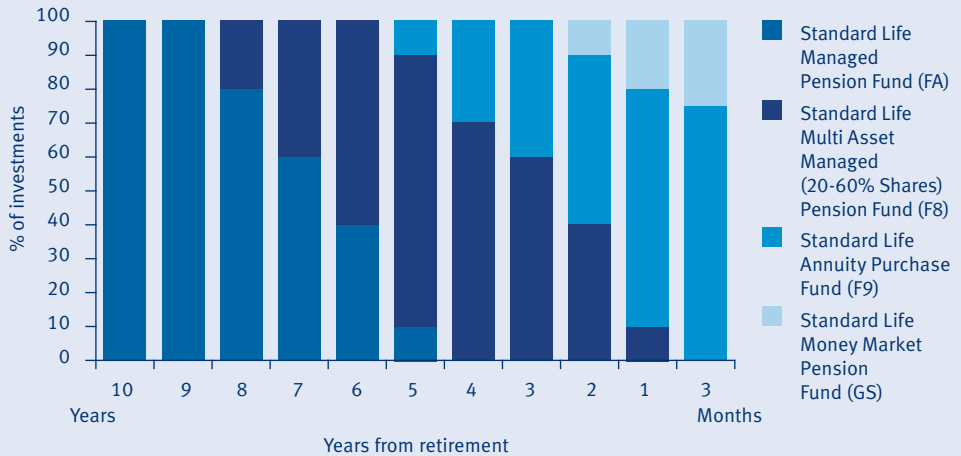


* Lifestyle profile closed to new business from December 2011.

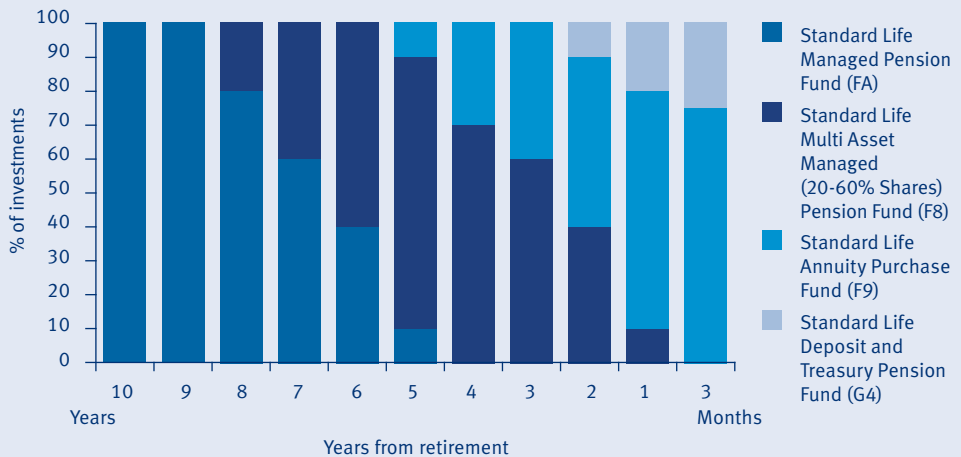
Profiles available for all - except Group AVC



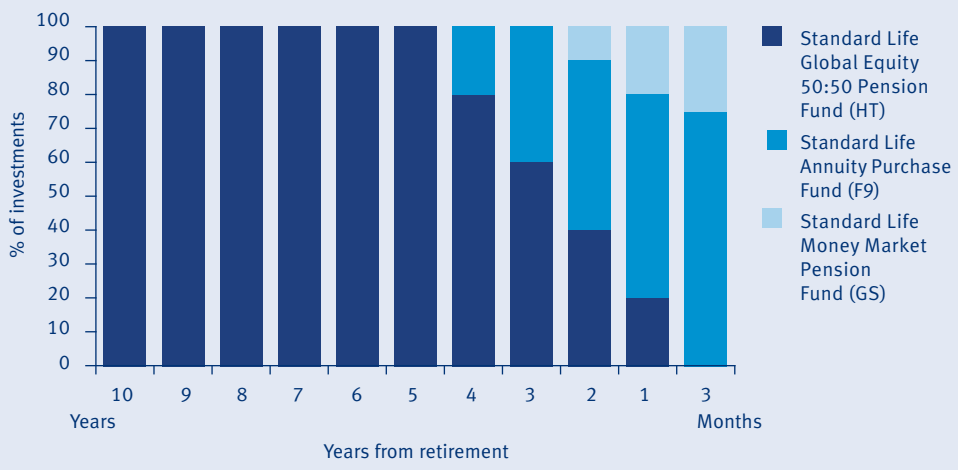
Balanced Managed Profile (3BAL)



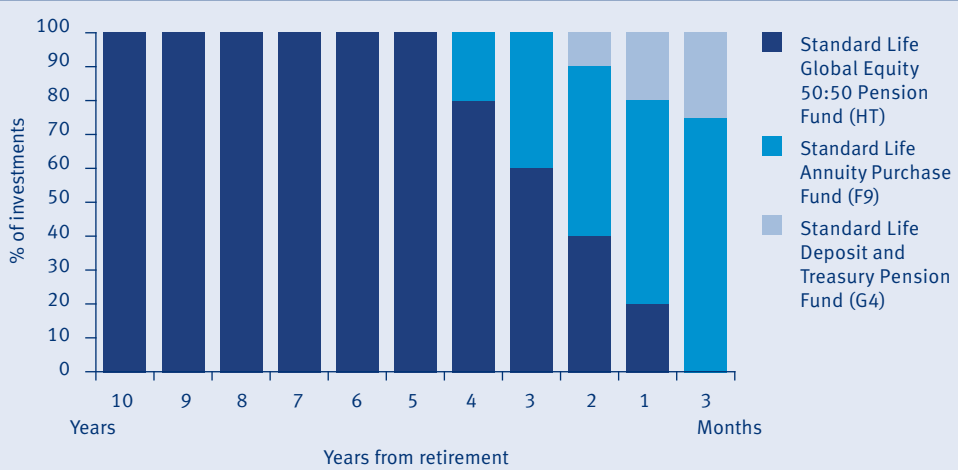
Balanced Managed II Profile (4BAL)



Global Equity Profile (1GLO)



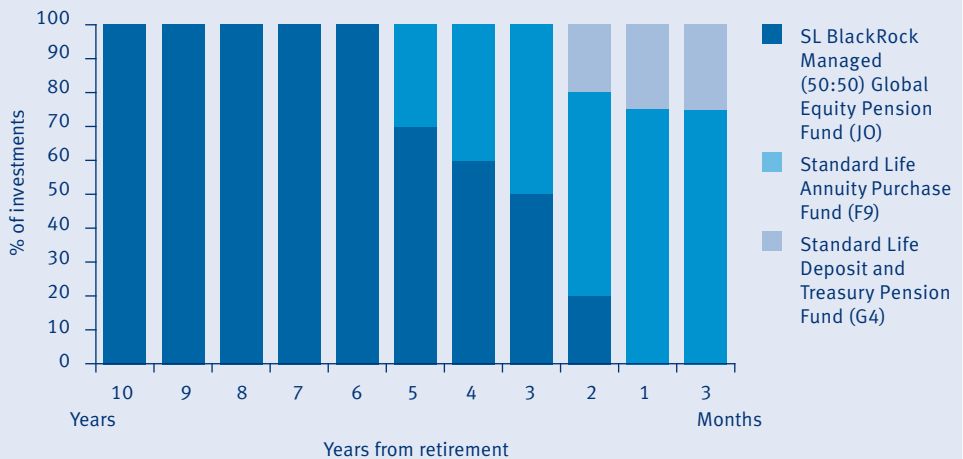
Global Equity II Profile (5GLO)



BlackRock (50:50) Global Equity Profile* (1BG1)



BlackRock (50:50) Global Equity II Profile* (7BG1)



* Lifestyle profile closed to new business from December 2011.

Important information

Before making your investment choices please make sure you read our key features document. It will help you decide if these options are right for you. If you're still not sure what to do, speak to your financial adviser. There may be a cost for this.

If you choose to invest in a lifestyle profile, you can only combine this with a with profits fund (where available). You cannot combine this with any other fund or any other lifestyle profile.

The price of units depends on the value of the fund's assets after charges. This can go down as well as up, and your investment in the fund may be worth less than what was paid in.

Some funds invest in overseas assets. This means that exchange rates and the political and economic situation in other countries can significantly affect the value of these funds. The value can go down as well as up, and your investment may be worth less than what was paid in.

You'll probably be one of many investors in each fund you choose. Sometimes, in exceptional circumstances, we may have to wait before we can transfer or switch your funds. This is to maintain fairness between those remaining in and those leaving the fund. This delay could be for up to a month.

But for some funds, the delay could be longer:

- ▶ it may be for up to six months if it's a property based fund because property and land can take longer to sell.
- ▶ if our fund invests in an external fund, the delay could be longer if the rules of the fund allow this.
- ▶ if we have to delay a transfer or switch, we'll use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day you made the request.

Some funds invest in property. The valuation of property is generally a matter of a valuer's opinion rather than fact.

Some funds invest in funds managed by external fund managers. In these cases, the description of the fund is provided by the external fund manager so Standard Life can't guarantee that it's accurate.

External fund managers are in charge of managing their own funds including what they invest in. This means that Standard Life is not responsible for these funds' performance or continued availability.

The investment performance of the Standard Life version of a fund will be different from what you would see if you invested in the underlying fund directly. There can be several differences, due to charges, cash management, tax and the timing of investing.

Some fund managers may look to get a better return by lending some of the assets to certain financial institutions. This involves some risk, and in certain circumstances, the fund could suffer a loss – for example, if the institution encountered financial difficulties and was unable to return the asset. The fund manager will use some controls to manage this risk, such as obtaining security from the borrower and monitoring their credit rating. External fund managers may also lend assets and are responsible for their own controls.

Funds can sometimes use derivatives to improve portfolio management and to help meet investment objectives. A derivative is a financial instrument – its value is derived from the underlying value or movement in other assets, financial commodities or instruments, like equities, bonds, interest rates etc.

There is a risk that a counterparty will fail, or partially fail, to meet their contractual obligations under the arrangement. Where a counterparty fails, the fund could suffer a loss. As part of the management of a fund, a number of controls can be used to reduce the impact of this risk, such as holding collateral and monitoring credit ratings.

Depending on how it is used, a derivative can involve little financial outlay but result in large gains or losses. Standard Life has control over the use of derivatives in its funds and external fund managers are responsible for their own controls.

The profiles listed here were correct when this document was published. We can't guarantee that they will be available when you make an investment.

About the funds

Here are some details about the funds that make up the lifestyle profiles. Some of the fund descriptions might use words or phrases you're not familiar with. Speak to your financial adviser if you need an explanation. There may be a cost for this.

For information about the charges and volatility ratings of these funds, please read our 'How to choose the right investment options for your pension' guide.

Standard Life Multi Asset Managed (20-60% Shares) Pension Fund (F8)

The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. It aims to be less volatile than the Standard Life Managed Pension Fund, investing a higher proportion in assets that are traditionally less volatile (such as bonds). The fund is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

Standard Life Managed Pension Fund (FA)

The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. The fund is predominantly equity based and is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

Standard Life Global Equity 50:50 Pension Fund (HT)

The fund aims to provide long term growth by investing in a portfolio of UK and overseas equity assets. The proportions held in each component are decided after reviewing the prospects for each market and will vary from time to time around the long term strategic asset allocation of 50% in UK equities and 50% in overseas equities. Both the UK and overseas components are actively managed by our investment team to try to take advantage of opportunities they have identified.

SL BlackRock Managed (50:50) Global Equity Pension Fund (JO)

The SL BlackRock Managed (50:50) Global Equity Pension Fund aims to invest 50% in the BlackRock CIF UK Equity Tracker Fund and 50% in the BlackRock Aquila Connect Overseas Fixed Benchmark Equity Fund and will typically be regularly rebalanced.

The Fund invests primarily in equities, both in the UK and overseas markets. The Fund has approximately 50% invested in the shares of UK companies. The remaining 50% is invested in overseas companies split equally between the US, Europe ex-UK and Pacific Rim. The Fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.

Standard Life Annuity Purchase Fund (F9)

This fund has a very different aim from most other investment-linked funds. It is designed for investors approaching retirement and considering purchasing a fixed annuity. It aims to reduce the effect of changes in long term interest rates on the value of annuity that can be purchased. Long term interest rates are one of the main factors affecting the cost of an annuity. The fund invests predominantly in bonds whose prices are normally expected to rise and fall broadly in line with the cost of purchasing an annuity. The fund does not provide any guarantee in relation to the level of annuity you will be able to purchase at retirement. It also does not protect against changes in the cost of purchasing an annuity that arise due to changes in life expectancy.

Please note that this fund may not be suitable for everyone and there may be more suitable alternative funds for those who intend to buy an annuity that increases each year at a rate linked with inflation.

Standard Life Deposit and Treasury Pension Fund (G4)

The primary aim of the fund is to maintain capital and provide returns before charges in line with short term money market rates by investing in deposits and short term money market instruments.

The fund price is not guaranteed by Standard Life and there could be circumstances where the fund price may fall. A fall might happen if, for example, there is a default by one of the banks where some of the money is held or where there is an adverse market movement in the value of some of the money market instruments held. A fall may also happen if fund income falls so low as to be less than the charges applied to the fund.

Standard Life Money Market Pension Fund (GS)

The primary aim of the fund is to maintain capital and provide returns in line with money market rates, before charges. To meet this aim, the fund invests in a portfolio of money market instruments and invests not only in bank and building society deposits but also in a variety of other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs) where, when purchased, repayment is within 2 years.

The fund price is not guaranteed by Standard Life and there could be circumstances where the fund price may fall. A fall might happen if, for example, there is a default by one of the banks where some of the money is held or where there is an adverse market movement in the value of one or more of the securities held due to for instance a credit event. A fall may also happen if fund income falls so low as to be less than the charges applied to the fund.



Further information

For more information on the funds included in the lifestyle profiles, please read our 'How to choose the right investment options for your pension' guide in your joining pack.