

Key Features Document – for direct investors

THE FIDELITY PERSONAL PENSION IS A VERSION OF THE FUNDSNETWORK SIPP PROVIDED BY STANDARD LIFE

keyfacts®

The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether the FundsNetwork Self Invested Personal Pension provided by Standard Life (SIPP) is right for you.

If you're a new customer you should read this document carefully so that you understand what you're buying. If you're an existing customer you should read this document to help you with any changes you might be making to your SIPP.

Please keep it safe for future reference.

This document is intended for investors who wish to directly manage their own investment in a wide range of funds available from FundsNetwork™ and Standard Life.

Helping you decide

Throughout this document the words 'we', 'our' and 'us' refer to Standard Life.

This key features document will give you information on the main features, benefits and risks of the SIPP provided by Standard Life.

A generic illustration is also enclosed, which shows the pension that maybe available in the future based on a number of different investment scenarios.

You will also be issued with a personal illustration on your plan anniversary and on request. This should be read carefully as it shows the benefits you may get in the future.

Your key features document and generic illustration should be read together.

Other documents you should read

Terms and conditions (FSIPP62)

Provides full details of the terms & conditions that apply to this plan.

Terms and conditions addendum (FSIPP62d)

Provides details of the additional terms & conditions that apply to this plan.

Fidelity Personal Pension Brochure (FSIPP39d)

A brochure explaining the product features and uses.

FundsNetwork fund tables (FGEN01)

A guide which gives you details of the FundsNetwork mutual funds you can choose from.

Insured Funds guide (FSIPP05)

A guide which gives you details of the investment-linked funds you can choose from.

Its aims

- To provide a tax efficient way to save for your retirement
- To give you choice over how and when you take your benefits
- To provide you with a pension, and a tax-free lump sum
- To provide benefits for your dependant(s) on your death

Your commitment

- To make payments to your pension plan, within the limits set by HM Revenue & Customs and our product limits
- To tell us if you stop being entitled to receive tax relief on your payments
- To wait until you're at least age 50 before taking your benefits (this is changing to age 55 from 6 April 2010)
- To take your tax-free lump sum within the limits set by HM Revenue & Customs
- To regularly review your SIPP to check it's meeting your needs now and for the future

Risks

This section is designed to tell you about the product risks that you need to be aware of at different stages of the plan.

At the start of the plan

- If you change your mind and want to cancel the plan you may get back less than you paid in. See 'Can I change my mind' on page 5 for more information
- If you're transferring benefits from another pension scheme, there is no guarantee that what you'll get back from the SIPP will be higher. You may also be giving up certain rights in the other pension scheme that you'll not have with the SIPP

Investment

- Investment funds can vary in their level of risk and their value can go up or down. What you'll get back depends on the investment performance of the funds you choose to invest in and is not guaranteed
- Some investments (such as property) may take longer to sell. You'll need to take this into account when you're reviewing your investments, or planning to take your benefits

Buying a pension

- What you could get back when you retire is not guaranteed and may be lower than expected. This could happen for a number of reasons, for example if:
 - investment performance is lower than shown in the generic illustration
 - annuity rates when you retire are lower than used in the generic illustration
 - tax rules and legislation change
 - payments into the plan are lower than you expected to make
 - you buy your pension earlier than you expected

Questions and answers

This section will help answer questions you may have. We start with some general questions and then cover payments, investment choices, benefits at retirement, tax, charges & discounts. We end the section with 'Other important questions' on page 5.

What is a SIPP?

A SIPP is a personal pension which allows you to build up a pension fund in a tax efficient way and brings with it greater control, more flexibility and more choice than most personal pensions.

What is the FundsNetwork SIPP provided by Standard Life?

FundsNetwork offers the SIPP through an arrangement with Standard Life. FundsNetwork will act as the distributor of the SIPP, and **you should send application forms, and any correspondence once your SIPP has been set up, to FundsNetwork**. If you take out a SIPP through FundsNetwork you will become a member of the Fidelity Self Invested Personal Pension Scheme ("the scheme"). Standard Life Assurance Limited is the provider and administrator of the scheme and Standard Life Trustee Company Limited acts as trustee.

Can I take out a SIPP?

You can take out a SIPP if you're under age 75, and resident in the UK.

- If you're resident overseas, you may be eligible to make a transfer payment from a UK scheme into this plan but it all depends on the country in which you're resident. There may be restrictions on your investment choice

Is this a Stakeholder pension?

This plan is not a Stakeholder pension. Our minimum payment is higher and charges can be higher than the government Stakeholder standards. Stakeholder pensions may meet your needs at least as well as this SIPP. A financial adviser will be able to advise which pension plan is better for you.

Who will administer my pension plan?

Your pension plan will be administered by Standard Life Assurance Limited.

What should I consider if I'm transferring benefits from another pension scheme?

Please note, you cannot transfer benefits from an occupational pension scheme into this plan.

You need to think about things such as:

- can this SIPP match the benefits you're giving up?
- are there any early retirement or ill health considerations?
- what level of benefits do you want to provide for your dependants?
- are there any exit penalties or charges?

We recommend that you speak to a Financial Adviser about whether transferring is the best option for you.

Block transfers

- A block transfer is where you and at least one other person transfer from the same scheme to our SIPP
- A block transfer can protect any rights you have to a tax-free lump sum greater than 25% or to an early retirement age. But if you make more than one block transfer to our SIPP, HM Revenue & Customs only allow your rights under one of your block transfers to be protected

Can I cash in my plan?

You can't cash in your plan at any time. See page 4, 'What benefits can I take at retirement?' for details on taking money from your plan.

WHAT PAYMENTS CAN BE MADE?

How much can be paid into a pension plan?

HM Revenue & Customs have set limits on the total amount that can be paid into a pension. In each tax year, if you're a 'relevant UK individual' you can pay:

- up to £3,600 (including tax relief) regardless of your earnings, or
- up to 100% of your relevant UK earnings for that year (including tax relief). If your earnings exceed the annual allowance then a tax charge may apply (see page 4)

Relevant earnings are your taxable annual income and any bonuses, commission, or benefits in kind that you receive from employment, or self employment.

These limits apply to the total payments made by you and any third party, to all your pension plans. They don't apply to payments made by your employer or to transfer payments.

You're a 'relevant UK individual' if:

- you're resident in the UK for tax purposes, or
- you have relevant UK earnings, or
- you were a UK resident sometime in the previous five tax years and when you joined, or
- you have, or your spouse or civil partner has, earnings from overseas Crown employment subject to UK tax

What are the SIPP minimum payments?

To set up a plan the minimum payments are:

- £300 a month, or
- £3,000 a year, or
- £10,000 for single or transfer payment(s).

For customers with a plan value greater than £50,000, the minimum regular payments are:

- £150 a month, or
- £1,000 a year

There is no minimum amount for any additional single or transfer payments to an existing plan.

Overall, payments must not exceed the limits set by HM Revenue & Customs.

What payment options do I have?

You can:

- make payments, change the amount of regular payments, stop payments, take a payment break or restart payments at any time (stopping or reducing payments will reduce your future pension)
- choose to have your payments increased automatically each year, either in line with the National Average Earnings Index or by a percentage chosen by you (between 1% and 10%)

Payments should be made using the following methods:

- direct debit (regular payments)
- telegraphic transfer (transfer payments)
- direct credit (transfer payments)
- cheque (single payments)

Can I transfer my contracted-out benefits to the SIPP?

Yes, from 1 October 2008, it's possible to transfer Protected Rights that are currently held in a Personal Pension

But you cannot transfer contracted-out benefits from an occupational pension scheme to this plan.

Other information about payments

- Any regular or transfer payments you make will be paid to Standard Life Assurance Limited
- Single payments will be paid to FundsNetwork, who will arrange the transfer of the payment to Standard Life
- If single payments are received without an investment instruction, the money will be deposited in the SIPP Bank Account
- Monthly Payments are held in the SIPP Bank Account and invested on the 4th of the Month with the exception of FundsNetwork Offshore funds which are invested on the 18th of the month

- Enhanced protection was introduced on 6 April 2006 to help protect customers with large pension funds. If any payments (excluding transfer payments) are made to your plan on or after this date the protection could be lost. Speak to a financial adviser for more information

WHAT ARE MY INVESTMENT CHOICES?

Investing in Funds

Funds are made up of either 'units' or 'shares'.

- Your payments are used to buy either units or shares in the funds you choose
- The price of one unit or share in each fund depends on the value of the underlying investments
- The value of your investment is based on the total number of units or shares you have in each fund. If the unit or share prices rise or fall, so will the value of your investment

FundsNetwork Funds

You can invest in any of the mutual funds available through FundsNetwork.

- For the latest range of funds available within the SIPP, please go to www.fundsnetwork.co.uk or ask Fidelity for a copy of the FundsNetwork Fund Tables
- If you move abroad after taking out a SIPP, there may be restrictions on dealing in the FundsNetwork funds

Standard Life Investment Policy (SLIP) Funds

SLIP is a master policy which Standard Life has issued to the trustee of the scheme. We don't issue an individual SLIP to you.

Within this policy we offer a wide range of investment-linked pension funds to choose from. We also offer a range of externally managed funds to increase this choice. For more information see 'Insured Funds guide' (FSIPP05).

The SIPP Bank Account

The bank account is owned and used by Standard Life Trustee Company Limited, the scheme trustee. The trustee will keep a record of how much you have invested in this account. It's used to provide:

- any money required to purchase any investments
- any tax-free lump sum required immediately
- any money that's required to pay any charges
- an investment opportunity or a facility to maintain cash on deposit

If you choose to place money in the SIPP Bank Account, the interest is accrued daily and applied on a monthly basis.

Our current rate of interest is 1% below the Bank of England base rate.

Who will manage my investments?

You will be responsible for making your own investment decisions.

Other information about investments

It's important to regularly review your investments. You can change investments at any time.

If any payments are received by Standard Life without an investment instruction, the money will be deposited in the SIPP bank account.

WHAT BENEFITS CAN I TAKE AT RETIREMENT?

You can:

- buy a pension (known as an annuity), on its own, or
- take a tax-free lump sum and buy a pension

The tax-free lump sum can't be more than the limits set by HM Revenue & Customs.

You cannot take income drawdown with this version of the SIPP so you must buy a pension before your 75th birthday.

Taking your retirement benefits

You can start taking retirement benefits from age 50 (changing to age 55 from 6 April 2010).

- Normally, retirement benefits will only be payable before age 50 on grounds of ill health
- If your current state of health gives you cause for concern you should speak to a financial adviser before making any decisions about your retirement benefits
- You can take all your retirement benefits on the same day or take them in stages. To take them all at once, you apply a single 'pension date' to your whole plan and it all becomes 'post pension date'
- To take your benefits in stages, you only apply a pension date to part of your plan at a time. That part becomes 'post pension date' and the rest of your plan remains 'pre pension date'. Your plan is made up of one or more accounts and you can apply a pension date to all or part of an account

Tax-free lump sum

At a pension date you can also take up to 25% of the new post pension date account as a tax-free lump sum. But you don't have to take a tax-free lump sum if you don't want to. You'll then use the rest of the new post pension date account to buy a pension. Any tax-free lump sum must be taken before age 75 or you'll lose this option.

Buy a pension (annuity)

This means that you pay some, or all, of your pension fund to an insurance company of your choice, who will in return pay you a pension for the rest of your life.

If you buy a pension with your Protected Rights, you must use all of your Protected Rights (less any tax-free lump sum entitlement) to buy that pension. And if you are married or in a civil partnership, you must buy a Protected Rights pension that will continue at half the rate to your spouse or civil partner after you die.

When you decide to buy a pension it will be bought using the annuity rates at that time.

WHAT ABOUT TAX?

Tax relief – pension payments

You'll get basic tax relief on any regular and single payments that you make.

If you're a higher-rate taxpayer you'll need to reclaim the extra tax relief through your tax return.

Capital Gains Tax

The funds you invest in will grow free of UK Capital Gains Tax.

Annual Allowance

HM Revenue & Customs has an Annual Allowance for the total

payments that you, your employer and any third party can make to all your pension plans (excluding transfer payments).

This allowance is £235,000 for the 2008/09 tax year. You'll pay a 40% tax charge on any payments above this limit.

Lifetime Allowance

HM Revenue & Customs has a Lifetime Allowance on the total funds in pension plans that can be used to provide benefits for you.

This allowance is £1.65 million for the tax year 2008/09, increasing in stages to £1.8 million by 2010/2011.

Any funds over this allowance will be liable to a tax charge of 55% for a lump sum, or 25% if taken as a pension.

There are circumstances in which you can apply for a personal Lifetime Allowance. Speak to a financial adviser for more details.

Tax-free lump sum

You can normally take up to 25% of your plan as a tax-free lump sum. However you could face a tax charge if you 'recycle' your tax-free lump sum. See our fact sheet 'Recycling of lump sums' (FGEN449) for more information.

Income Tax – pension payments

Any pension you buy will be taxed as earned income under normal pay-as-you-earn (PAYE) rules.

Tax – death benefits

If you die before 75, your dependants do not normally need to pay tax on the lump sum paid from your pre pension date accounts. However if any part of the lump sum exceeds your remaining Lifetime Allowance, that part will be taxed at 55%.

We explain about pre and post pension date accounts in 'Taking your retirement benefits'.

Other information about tax

A tax year runs from 6 April in one year to 5 April in the next year.

Tax rules and legislation may change.

The value of tax relief may change and will depend on your financial circumstances.

The information we have given is based on our understanding of law and HM Revenue & Customs practice when we published this document.

WHAT ARE THE CHARGES & DISCOUNTS?

This section shows you the main charges and discounts that apply. It should be read with your generic illustration. It may also be helpful for you to refer back to page 3 for a reminder of investment terms used in this section.

FUND CHARGES – FUNDSNETWORK MUTUAL FUNDS Annual Management Charge

This is for the management and administration costs of your funds. The charge varies depending on the funds you choose to invest in.

Bid-Offer spread

There may be other charges, known as a bid-offer spread, associated with buying funds which are dual priced. These funds have two prices – a bid price and an offer price. The offer price is the price you pay for shares. It is usually higher than the price you can sell them for (bid price). The bid-offer spread is the difference between the buying and the selling price.

FUND CHARGES – STANDARD LIFE INVESTMENT POLICY (SLIP) FUNDS

Fund Management Charge

This is for the management of your funds and for our administration costs. The charge varies depending on the funds you choose to invest in.

Fund Charge – Additional Expenses

Fund managers may charge an additional expense to cover costs such as fees for trustees, registrars, auditors, and regulators. This charge is likely to vary.

Details of each fund management charge and additional expenses can be found at:

- Fundsnetwork Mutual funds – www.fundsnetwork.co.uk or ask Fidelity for a copy of the FundsNetwork Funds Tables (FGEN01)
- SLIP funds – ‘Insured Funds guide’ (FSIPP05)

Discounts

If you decide to invest in any SLIP funds and your investment is large, then we’ll reduce the effect of any SLIP fund charges by adding extra units to your plan each month. The extra units are calculated on the total funds invested in SLIP at a yearly rate of:

- 0.3% if your investment is between £50,000 and £249,999
- 0.4% if your investment is between £250,000 and £499,999
- 0.5% if your investment is £500,000 or more

Initial Administration Charge (set-up charge)

There is no initial administration charge for the life of this plan.

Yearly Administration Charge

There is no yearly administration charge for the life of this plan.

Other information about charges

Our charges are not guaranteed. We regularly review them and they may be increased.

Other important questions

What happens to my SIPP when I die?

If you die before age 75 and before using all of your plan to buy an annuity we’ll normally pay out what’s left in your plan as a tax-free lump sum. If the lump sum exceeds your remaining Lifetime Allowance (see page 4) it will be liable to a tax charge of 55%. Alternatively, if the beneficiary is a dependant we can pay them a pension instead of a lump sum.

If you die after buying an annuity, the death benefits payable from the annuity will depend on the choices you make when you buy the annuity.

Contracted-out death benefits

Protected Rights legislation dictates the death benefits that must be paid from your contracted-out benefits.

No surviving spouse/civil partner

If you die before age 75 and have no surviving spouse/civil partner, we must use any contracted-out benefits still in your SIPP to pay a lump sum according to your instructions, or to your estate if you have not given any instructions.

Surviving spouse/civil partner

If you are survived by your spouse/civil partner, we must use any contracted-out funds in your SIPP to pay a pension to them.

Can I transfer my plan?

You can transfer your plan to another pension scheme. It’s important that you check with the administrator of the scheme you want to transfer to that they will accept the transfer.

This is particularly important if you have any contracted-out benefits as you can only transfer these if the receiving scheme is able to accept them.

Can I change my mind?

You have a legal right to cancel your payment if you change your mind. You have 30 days, from the date you receive your plan documents, to cancel.

At the end of the 30 day period you’ll be bound by the terms and conditions of the plan and any money received by Standard Life or Fidelity will not be refundable under the cancellation rule.

Transfer payments

Before we can return any transfer payment, you must speak to the transferring scheme to get their agreement to accept the money back.

- If they will not accept it back, and you still want to cancel, then you must arrange for another pension provider to accept the payment
- The transferring scheme may charge you for taking the payment back

Regular Payments

It’s only the first payment you choose to make that will have cancellation rights. If you decide to increase the level of payment in the future you’ll not have a right to cancel that payment. However you can reduce or stop future payments at any time.

Single Payments

A cancellation right applies to any single payment if we pay commission on it that’s different to the commission we’re paying on your regular payments.

What will I get back?

We’ll refund payments to the person(s) who made them.

Transfer payments will be returned to the transferring scheme.

The amount we’ll return depends on:

- any fall in the value of your investment before we receive your instruction to cancel. If this happens we may deduct an equivalent amount from the refund
- any charges or expenses you may have to pay
- the administration costs of cancelling your plan

Precise amounts deducted on cancellation will be restricted to our costs and your own investment choices.

There is no ‘penalty charge’ for cancelling your plan.

How do I cancel?

If you decide you want to cancel you should write to Fidelity. See 'How to contact Fidelity'.

How will I know how my SIPP is doing?

Online

You can register on FundsNetwork website www.fundsnetwork.co.uk to see your plan details including the current value.

You can also get a valuation or illustration by calling FundsNetwork's customer helpline. See 'How to contact Fidelity'.

Yearly statement

We'll send you a yearly statement to show how your plan is doing.

Other information

Safeguarded Rights

Safeguarded rights are contracted-out funds received from an ex-spouse/civil partner on divorce/dissolution of the civil partnership.

These cannot be transferred to the SIPP and can instead be placed into the Standard Life Pension Fund Withdrawal Plan (PFWP). Please read the PFWP Key Features Document (PFWP17) for details of the risks and commitment involved. This plan can only accept transfer payments.

You will need to take financial advice and complete our application form 'Acceptance of a transfer of contracted-out benefits' (PFWP30) if you wish to do this.

How to complain

Fidelity have a leaflet that summarises their complaints handling procedures. If you would like to see a copy please contact them.

If you need to complain, write to Fidelity at the address shown in 'How to contact Fidelity' opposite.

If you aren't satisfied with their response you may be able to complain to:

The Financial Ombudsman Service

South Quay Plaza,
183 Marsh Wall
London E14 9SR

Call: 0845 080 1800

e-mail: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Complaining to the Ombudsman won't affect your legal rights.

Where you receive advice from a qualified financial adviser, they should recommend a product that is suitable for you. You have a legal right to redress if, at any time, it is shown that you have bought a recommended product that was not suitable for your needs at that time.

Plan terms and conditions

For a full summary you should read 'The terms and conditions for your Self Invested Personal Pension' (FSIPP62) and the terms and conditions addendum (FSIPP62d). We have the right to change some of the plan terms and conditions. We'll write to you and explain if this happens.

Law

The law of Scotland will decide any legal dispute.

Language

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

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.

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

If an external fund is linked to another insurer in addition to Standard Life Assurance Limited, the fund may not be covered under FSCS provision.

How to contact Fidelity

By phone call 0845 085 0923 Monday to Friday 9am to 6pm

By e-mail investorline@uk.fid-intl.com

There is no guarantee that any e-mail you send will be received or will not have been tampered with. You should not send personal details by e-mail.

In writing

Oakhill House
130 Tonbridge Road
Hildenborough
Kent
TN11 9DZ

Questions?

If you have any questions or would like to make any changes to your plan, please contact Fidelity.

Your queries will be dealt with during business hours.

About Fundsnetwork

FundsNetwork, a fund supermarket service, was launched in June 2000. It offers advisers and their clients the ability to invest, manage and monitor their investments in one place, aiming to bring them control and efficiency. The full FundsNetwork fund range is available for investment within the SIPP, alongside other investment choices such as unit linked pension funds.

The FundsNetwork service is offered and managed by Financial Administration Services Limited. Fidelity, Fidelity International, FundsNetworkTM, the Pyramid Logo and the FundsNetwork® logo are trademarks of FIL Limited. The FundsNetwork SIPP is provided and administered by Standard Life Assurance Limited.

Fidelity does not provide financial advice and if an investor feels uncomfortable making their own investment decisions we always recommend that they seek advice from a Financial Adviser. The value of investments and the income from them can go down as well as up and you may not get back as much as you first invest.

Financial Administration Services Limited is authorised and regulated by the Financial Services Authority. The registration number is 122169.

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.

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