keyfacts®

INVESTMENTS

Key features of the Guaranteed Investment Plan

Provided by St Andrew's Life Assurance plc (St Andrew's Life)

Important information

Before you decide to invest in this plan, you should be comfortable that you understand what you are buying.

The Financial Services Authority is the independent financial services regulator. It requires us, St Andrew's Life Assurance plc, to give you this important information to help you to decide whether our Guaranteed Investment Plan is right for you. You should read this document carefully, along with the illustration provided by your personal financial adviser, so that you understand what you are buying, and then keep them safe for future reference. If you have any questions, please contact us.

Its aims

- To help the value of your money to grow over time.
- To offer some guarantees to help protect your investment.

Your commitment

- You invest a one-off lump sum of at least £5,000. You can do this by cheque or transfer of funds from a suitable Halifax account.
- You can keep your plan as long as you want, but you should be prepared to invest for at least five years.

Risks

- The value of your investment can go up and down as a result of stock market and currency movements.
- If you cash in your plan before the 'money back guarantee date' you may get back less than you invested and an early withdrawal charge may apply.
- When you cash in your plan, you may get back less than the amount shown on the illustration because:
  - your investments grow less than illustrated
  - you take money out
  - tax rules change
  - our charges increase.
- If you use your right to cancel your plan within the first 30 days and the value of your investment has fallen, you will get back less than the amount you paid in.
- If economic conditions change before the 'guarantee valuation date' we may decide that it's not in your best interests to continue the plan, and we reserve the right to cancel the fund and refund your investment with any growth to date.
- If you decide to cash in all or part of your plan we have the right to delay making payment if there's a delay in cashing in the investments within the plan. This can be for up to one month.
- If stock markets perform vary badly, for example if they experience several very sudden drops in value, it's possible that the Guaranteed Investment Fund will sell all of its shares and move into fixed rate investments. Please see the section 'How are the guarantees provided?' on page 4 to see how this may impact your plan.

Questions and answers

What is the Guaranteed Investment Plan?

- It's an investment plan that also gives you some life assurance cover.
- It gives you the following guarantees that help protect your investment:
  - After the money back guarantee date it promises to return at least the amount invested on the guarantee valuation date, less an adjustment for any money you've taken out.
  - It promises to return at least 80% of the highest value the fund has achieved while you were invested in it, less an adjustment for any money you've taken out and any early withdrawal charges that may apply.
- Please see below for more details about when these guarantees start to apply and how they work.

How does the money back guarantee work?

- Each year there are four 'guarantee valuation dates' on 1 March, 1 June, 1 September and 1 December (or the next working day if a weekend or bank holiday).
- The guarantee valuation date applying to your plan will be the next one after you invest your money, provided we've received your investment at our administration unit at least five working days earlier.
- Your money back guarantee will start on the fifth anniversary of the guarantee valuation date applicable to your plan, and will last for as long as your money remains invested in the Guaranteed Investment Fund.
- We then promise that when you cash in your plan after the fifth anniversary of the guarantee valuation date you'll get back at least the amount invested on the guarantee valuation date, less an adjustment for any money you've taken out.

How does the guarantee to return 80% of the highest value work?

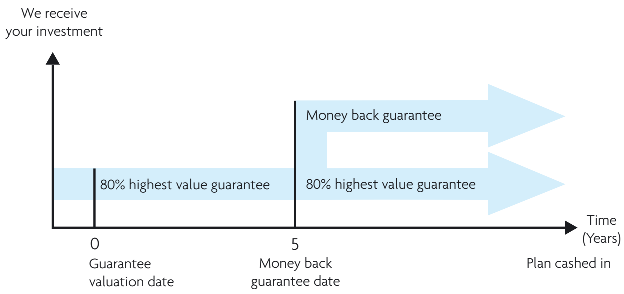
- This guarantee starts from the day we receive your investment and will last as long as your money remains invested in the Guaranteed Investment Fund.

- When you cash in your plan we promise the price of your units will be at least 80% of the highest price achieved while your money was invested in the fund. However, if you make a withdrawal within the first five years of the plan, an early withdrawal charge may apply which will reduce the total value of the plan. Please see 'Early withdrawal charges' on page 3.
- In the period before your money back guarantee starts, this gives valuable protection against poor stock market conditions. When stock market conditions are good it gives you the potential for an increasing guaranteed amount.

At the point of encashment the relevant guarantee will apply.

When do the guarantees apply?

The diagram below shows when the guarantees take effect.



How flexible is it?

- You can leave your money invested until you need it because there is no fixed term to the plan.
- You can take money out if you need to but this will reduce the value of the plan, and if you take any withdrawals during the first five years there may be early withdrawal charges (please see 'Early withdrawal charges' on page 3).
- It can be held in one or two names, or in the name of someone other than yourself.

What might I get back?

- You will get back the plan value when you decide to cash it in. The value will depend on:
  - the guarantees that apply at the time you cash in the plan
  - the amount invested
  - the length of time it's invested
  - the investment performance of the fund
  - our charges, including any early withdrawal charges
  - the amount of any money you have taken out.
- The illustration of benefits will give you an idea of what you could get back.

Where is my money invested?

- Your money is invested in a Guaranteed Investment Fund. A new Guaranteed Investment Fund is set up for new investments received by each guarantee valuation date.
- Up to the guarantee valuation date your money will be held in 'money-market' assets. At the guarantee valuation date we will invest at least your original contribution in the Guaranteed Investment Fund.
- After the guarantee valuation date, it will invest in a broad spread of shares and fixed interest securities, mainly in the UK.
- For more details of the Guaranteed Investment Fund please see our booklet 'A Guide to Investing with the Halifax'.
- The fund is split into units and the price of these units depends on the value of the assets the fund invests in. If the price of the units goes up or down, then so will the value of your plan.
- The money you pay into your plan is used to buy units in the fund. Each unit is an equal share of the fund.
- Income received from the investments is added into the fund, which will increase the value of your units.

Can I switch my investment to another fund?

- You can switch your whole investment from the Guaranteed Investment Fund into the Balanced Investment Fund at any point after the guarantee valuation date of your plan.
- You can't switch only part of your investment, and you can't switch into any other funds other than the Balanced Investment Fund.
- Switching your investment will cancel the guarantees we give you.
- Once you switch your investment out of the Guaranteed Investment Fund, you won't be able to switch it back.
- Switching your investment into the Balanced Investment Fund will reduce the charges you pay (see 'What are the charges?').

- For more details of the Balanced Investment Fund please see our booklet 'A Guide to Investing with the Halifax'.
- We normally value units at 12 noon each working day. If we get your switch request at our administration unit before 5pm on any working day, the switch will be based on the unit price at the next working day's valuation. If we get your request after 5pm, the switch will not be based on the next working day's valuation, but will be based on the valuation on the working day after that.
- However, for a switch of £500,000 or more we need 30 days' prior written notice, and the switch will be based on the unit price at the first valuation after the end of the 30 day notice period.

What are the charges?

- There is no initial charge.
- There is a yearly management charge as shown in the table below.
- You don't have to pay these charges directly – we take them into account when we calculate the unit prices each day.
- The cost of providing the guarantees is included within the charge for the Guaranteed Investment Fund.
- Our charges may change in the future, but if they do we'll tell you in advance.

Fund	Yearly management charge as a percentage of the fund
Guaranteed Investment Fund – before the valution date	0%
Guaranteed Investment Fund – after the valution date	1.75%
Balanced Investment Fund	1.25%

Early withdrawal charges

If your plan started before 25 August 2009, early withdrawal charges do not apply to your plan.

If your plan started on or after 25 August 2009, and you take all or part of your money out of the plan in the first five years, you'll have to pay an early withdrawal charge on the amount taken out unless one of the following applies:

- Your adviser has recommended that you transfer all or part of your investment to another investment plan provided by HBOS Investment Fund Managers Limited or St Andrew's Life Assurance plc.
- You exercise your right to cancel your plan within the first 30 days.

Withdrawing part of your money

If you withdraw part of your money in the first five years, you'll receive the whole of the amount you ask to withdraw, because we won't take the charge from the amount we pay you – instead, we'll include it in the total amount taken from your plan:

amount you ask for + early withdrawal charge
= total amount taken from your plan.

The charge is a percentage of the total amount taken from your plan, worked out as shown in the table opposite.

Years you have held your plan	Early withdrawal charge as a percentage of total amount taken from your plan	How we work out the total amount taken from your plan
Up to 1	5%	Amount you ask for divided by 95%
1 to 2	4%	Amount you ask for divided by 96%
2 to 3	3%	Amount you ask for divided by 97%
3 to 4	2%	Amount you ask for divided by 98%
4 to 5	1%	Amount you ask for divided by 99%
5 or more	no charge	–

The following examples show how this works:

You ask to withdraw	In year	Amount taken from your plan	Amount you receive	Amount of early withdrawal charge
£10,000	1	£10,000/95% = £10,526.32	£10,000	£526.32
£10,000	3 to 4	£10,000/98% = £10,204.08	£10,000	£204.08

Closing your plan

If you want to take out all your money and close your plan in the first five years, the early withdrawal charge will be taken from the total plan value. This means that the amount you receive will be reduced by the amount of the charge, as shown in the table below.

Years you have held your plan	Early withdrawal charge as a percentage of total plan value
Up to 1	5%
1 to 2	4%
2 to 3	3%
3 to 4	2%
4 to 5	1%
5 or more	no charge

How are the guarantees provided?

Each Guaranteed Investment Fund will vary its investments depending on how the stock markets are performing.

- An important factor in providing the guarantees is the mixture of shares and investments that pay a fixed rate of interest. The fund managers choose and monitor these.
- The proportion of the fund in shares at the guarantee valuation date will vary depending on market conditions at the time. After the guarantee valuation date the proportion of the fund in shares will change as market conditions change.
- Generally, the better the performance of the stock markets, the higher the percentage of the Guaranteed Investment Fund that will be invested into shares. The poorer the performance of the stock markets, the lower the percentage of the Guaranteed Investment Fund that will be invested in shares.
- By managing the mix of assets between shares and investments that pay a fixed rate of interest, we aim to ensure that there's exposure to the performance of the shares, whilst maintaining the capital guarantee provided.
- To enable us to provide the money back guarantee and the 80% of highest value guarantee, exposure to stocks and shares is limited by always keeping a proportion of the Guaranteed Investment Fund in investments that pay a fixed rate of interest. Therefore, in this fund, you won't receive the full benefit of a rising stock market that could be provided by investing fully in shares, but in return for this you have the valuable guarantees included in your plan.
- **Important:** When stock markets perform very badly or markets experience very sudden, swift drops in value, it's possible that the Guaranteed Investment Fund will sell all of its shares and move into fixed rate investments.
- This depends on market conditions and may happen at any point after the guarantee valuation date. If this happened, the fund wouldn't be able to reinvest in shares until after the 5th anniversary of the plan.

- If the fund did sell all of its shares, as described on the previous page, we would, where possible, use a small proportion of this money to buy a fixed share of any future increase in stock markets. This means that, should stock markets recover, the fund would receive a small proportion of this growth. This means that you could still get back more than you invested, although we cannot guarantee this.

If you leave your capital invested for five years, we can guarantee that you will receive at least the amount invested on the guarantee valuation date, adjusted for any withdrawals you may have made.

Can I take money out?

- You can take money out – but it will reduce the value of your Guaranteed Investment Plan.
- If you started your plan on or after 25 August 2009 and you take money out within five years of your plan's start date, you might have to pay an early withdrawal charge.
- The smallest amount you can take out at any one time is £1,000.
- You must leave at least £3,000 in your Guaranteed Investment Plan, otherwise we will close it, cashing in the remaining units and paying you the proceeds.
- You can cash in your whole plan at any time. The money back guarantee will only apply if you cash in your plan on or after the money back guarantee date. Before this, the money back guarantee does not apply and you could receive less than you originally invested.
- If you do need to take money from your plan, it's important that you have all the information you need to avoid unnecessarily losing any of the plan benefits or paying extra tax. Please call us on 0870 901 0137* and we'll send you an information pack along with a form to complete and return to us.
- We'll process your request within five working days and pay the money by direct credit to your bank account, which can take up to four working days to arrive. If you ask us to take money out for you, we'll sell units at the prices which apply at the next valuation after we receive your instructions. We normally value units at 12 noon each working day.
- If you want to take out £500,000 or more from a Guaranteed Investment Fund, we'll need 30 days' prior written notice. We'll sell units at the prices which apply at the first valuation after this period ends. This doesn't affect your 30 day cancellation rights.
- You can't take a regular income from the Guaranteed Investment Plan.

What happens to my Guaranteed Investment Plan if I die?

- If your life is the only life covered, we'll pay out the benefits of the plan to your estate. If the plan is held in a trust, we'll make the payment to the trustees.
- If two lives are covered, and one of you dies, the plan will continue in the surviving planholder's name.
- If both lives covered die, we will pay the benefits of the plan to the person entitled to them once we have received satisfactory evidence of the death of both lives covered.
- The amount we pay will be the higher of either:
  - the value of your plan at the next valuation point after our administration unit receives official notification of death, or
  - the amount invested on the guarantee valuation date, less an adjustment for any money you've taken out.
- If the plan doesn't end on your death – perhaps because you aren't the person whose life is covered – ownership of the plan will pass to the person entitled to it.

What about tax?

- We have to pay tax on the income and capital gains from the assets the funds invest in, and this is reflected in the value of the funds.
- This means that if you're a basic rate taxpayer there's no further tax for you to pay when you cash in your plan or take withdrawals, unless the gain you've made takes you into the higher rate tax band.
- If you're a higher rate taxpayer, or any gains make you a higher rate taxpayer, when you
  - cash in your plan, or
  - withdraw more than 5% a year of the total amount you've paid in to your plan

you'll have to pay tax on the gain you've made at the difference between basic and higher rate income tax.

- If you're a non-taxpayer, you can't reclaim the tax we've paid.

- If you're the person whose life is covered and you die, the value of the plan may be included in your estate for inheritance tax. If you are a higher rate taxpayer, any gain will be taxable at the difference between basic and higher rate income tax.
- If you might want to claim age-related personal allowances, tax credits, pension credits or social security benefits please be aware that this plan could affect your entitlement to these.
- This is only a summary and the tax you have to pay depends on your personal circumstances. Special income tax rules apply if the plan is held in a trust. Tax rules may change in future.

Can I change my mind?

- When your plan is set up, you will receive a notice of your cancellation rights. You then have 30 days to change your mind. If you decide that you don't want the Guaranteed Investment Plan you have bought, please sign and return the notice to us (at the address shown under 'How to contact us') within this period.
- We'll give you your money back less any fall in the investment value.

How will I know how my plan is doing?

- We'll send you a statement each year showing the number of units you bought with your investment and the total value of your plan.
- You can get details of the unit price from our helpline on **0870 901 0137***.
- You can ask for a plan value at any time by telephoning or by writing to us. See 'How to contact us'.

How to contact us

If you have received advice, please ask your adviser if there's anything you don't understand.

You can also contact our administration unit for additional investments, fund switches, withdrawals or to cash in the plan at:

Halifax Financial Services
PO Box 10
Walton Street
Aylesbury
Bucks HP21 7GD
Telephone **0870 901 0137***

The lines are open from 8am to 6pm Monday to Friday and from 9am to 1pm on Saturday. Your call may be recorded for quality and training purposes.

*Daytime calls Monday to Friday from BT landlines to 0870 numbers will cost no more than 6p a minute plus an 8p connection fee. The price of calls through other phone companies and from mobile phones will be different. The call price we have quoted was correct in June 2009.

Other information

This plan can be sold with and without advice. If you did not receive advice on this product, you made your own decision as to its suitability for you, based on the information given.

How to complain

We want you to be entirely happy with the high quality service we aim to provide. However, if you are not completely satisfied with any part of our service, please let us know. You can make your complaint direct to:

Customer Relations
St Andrew's Life Assurance plc
Trinity Road
Halifax HX1 2RG

If your complaint is not dealt with to your satisfaction you can complain to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone **0845 080 1800**

Making a complaint will not affect your right to take legal action.

Terms and conditions

This booklet is a summary of the key features of the plan. You will find full details of the plan in the plan conditions which are evidence of the contract between you and us. We can change the plan conditions, but we would advise you in writing before we did this. You can get a copy of the plan conditions by telephoning or by writing to us.
See 'How to contact us'.

Law

The plan is governed by English law and any dispute will be dealt with by the English courts. The plan conditions for the Guaranteed Investment Plan and any further communications will be provided in English.

Conflict of interest policy

If we face a conflict of interest with customers or have a material interest that could conflict with the customers' interest, we have internal procedures in place to ensure fair treatment for our customers.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business, the circumstances of the claim and the date of the failure. The Guaranteed Investment Plan is classified as 'long-term insurance'. The FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, pay you compensation as follows:

- Until 31 December 2009, the first £2,000 of your claim in full, and 90% of the value of the balance of your claim.
- From 1 January 2010, 90% of your claim.

Further information about compensation scheme arrangements is available from the FSCS at: 7th Floor Lloyds Chambers, Portsoken Street, London E1 8BN.
Telephone: **(020) 7892 7300**.
Website: **www.fscs.org.uk**.

St Andrew's Life

St Andrew's Life Assurance plc, Register Number 189101 is entered on the Financial Services Authority's Register. All information, limits and charges are correct at the date of printing (August 2009) but may change in the future.

St Andrew's Life Assurance plc is incorporated in England. Its Head Office address is:

1 Lovell Park Road
Leeds LS1 1NS
United Kingdom

We are committed to meeting the needs of all our customers. If you have a hearing or speech impairment, you can use Typetalk whenever you contact us, or contact us using Textphone on 0845 732 3436 (lines open 9am – 5pm, 7 days a week). For the visually impaired, we can provide documents in large print, Braille or on audio cassette. Please speak to a member of staff.

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