

# INVESTMENTS

# Halifax Guaranteed Investment Plan

Plan Booklet (July 2008)

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## Conditions

### 1 Technical words

**a** Except for the headings, in these conditions the following words have the following meanings.

- ‘We’, ‘us’ or ‘our’ refers to St Andrew’s Life Assurance plc.
- ‘You’ and ‘your’ refers to the person or people named as the planholder or planholders in the **schedule**, or anyone who takes over their interests under the **plan**.

**b** In these conditions, we have put the following technical words in bold type because they have a special meaning.

- The **administration office** is an office at which we carry out the administration. Its current address is PO Box 10, Walton Street, Aylesbury, Buckinghamshire HP21 7GD.
- The **balanced investment fund** is a **fund** available under the **plan** to which the guarantees described in condition 9 do not apply.
- To **cash in** is the process by which we cancel a number of **units** linked to your **plan** and pay you a cash sum equal to the value of the **units** cancelled.
- If there is one **life covered**, the **death benefit** is the amount we pay if the **life covered** dies. If there are two **lives covered**, the **death benefit** is the amount we pay if both of the **lives covered** have died.
- Because each **fund** is single-priced, when **units** are linked to a plan, cancelled or switched, the dealing charges incurred buying and selling the **property** of a **fund** and any spread between the buying and selling prices of that **property** can lead to the underlying value of the property being less than the value of the **fund**, calculated by multiplying the total number of **units** by the **unit price**. This is called **dilution**. To counter the effects of this and in order to preserve equity between planholders, we may adjust the **unit price** of **units** within a **fund** in line with condition 6 or we may apply a **dilution levy** when we link **units** to a plan, cancel **units** linked to a plan or switch **units** within a plan. A **dilution levy** is not a charge and we do not benefit from applying it.
- A **fund** is a pool of investments managed according to the investment criteria for that **fund**.
- A **guaranteed investment fund** is a **fund** available under the **plan** to which the guarantees described in condition 9 apply. The **guaranteed investment fund** in which you invest on the **start date** is named in the **schedule**.
- The **guarantee valuation date** is the date on which the money back guarantee described in condition 9 is based for the particular **guaranteed investment fund** to which it applies. The **guarantee valuation date** for your **plan** is given in the **schedule**.

- A **life covered** is a person covered for **death benefit**, named in the **schedule**. Any reference to a **life covered** should be read with the **schedule**.
- **Our management charge** is the charge we make for selling and administering plans and managing each **fund** and for providing any guarantees for that **fund**.
- The **minimum death benefit** is described under condition 10c.
- The **money back guarantee date** is the date from which the money back guarantee described in condition 9 starts for the particular **guaranteed investment fund** to which it applies. The **money back guarantee date** for your **plan** is given in the **schedule**.
- The **plan** is the contract of insurance between you and us. Your application for the **plan**, the **plan document**, the **plan booklet** and the **schedule**, plus any endorsements to them, are evidence of this contract.
- The **plan booklet** is this plan booklet as amended from time to time.
- The **plan document** is the document accompanying the **schedule** as amended from time to time.
- **Property** is the assets held within a **fund**, such as stocks and shares, fixed interest securities, land and buildings, and cash.
- The **schedule** is the schedule to this **plan** as amended from time to time.
- The **start date** is the date the **plan** starts.
- **Units** are shares of equal value in a **fund**.
- The **unit price** is the price at which we link **units** to your **plan** or we **cash in units**.
- A **valuation** is the process of working out the value of the **property** in each **fund**.
- A **working day** is any day other than a Saturday or Sunday which is not a bank or public holiday in England or any day on which we choose to carry out a **valuation** of the **funds**.

### 2 Premium

The premium you pay on or before the **start date** is shown in the **schedule**. You cannot pay any further premiums into your **plan**.

### 3 The funds

- a** We have a number of **funds**. You can obtain details of the **funds** from us.
- b** We can cancel **funds**, merge **funds** or change the number and type of **funds** available.
- c** We own the **property** in each **fund**. We decide how to invest that **property**. We can borrow money in connection with a **fund**, using the **property** in that **fund** as security.

- d We will credit income from the **property** in a **fund** to that **fund**.
- e Before the **guarantee valuation date**, because of a change in interest rates or other economic conditions, we may decide that it would not be in your best interests for the **guaranteed investment fund** to continue. In that case, we will cancel the **fund**, **cashing in** your **units** and paying you the proceeds. Your **plan** will then end.
- f After the **money back guarantee date**, we may decide that it is more economic and in your best interests to merge the **guaranteed investment fund** in which you are invested with another **fund(s)**. In that case, new **units** will be created in the merged **fund** and your **plan** will be linked to these new **units** on an equivalent value basis. Following the merger, we will provide you with at least the same level of **guarantees** you had on the original **guaranteed investment fund** under your **plan**. A merger will not affect the level or levels of **management charge** that applies to your **plan**.

#### 4 Units and unit prices

- a We will divide each **fund** into **units**. We will not create new **units** in a **fund** unless **property** of the same value as the **units** is also added to the **fund**. We will not take **property** from a **fund** unless **units** of the same value are cancelled (except under condition 7 below).
- b Each **unit** in a **fund** will have a **unit price** which we will work out at every **valuation**.
- c The **unit price** of a **unit** in a **fund** will be the value of the **fund** divided by the number of **units** in that **fund**. To avoid the dilution of a **fund**, we may apply a **dilution levy** when we link **units** to your **plan**, cancel **units** linked to your **plan** or switch **units** within your **plan**.
- d We may sometimes divide **units** into a number of separate **units** or combine **units** into a single **unit** but this will not affect the value of your **plan**.

#### 5 Linking units

- a We link **units** to your **plan** so that we can work out the benefits under your **plan**. You do not own **units** and they do not give you any rights to the **property** in a **fund**. The number of **units** we link to your **plan** will be rounded down to the nearest 1/1000th of a **unit**.
- b On the **start date**, your premium will be invested in the **guaranteed investment fund** named in the **schedule**.
- c We work out how many **units** in the **fund** will be linked to your **plan** by dividing the premium (less any **dilution levy**) by the **unit price** of **units** in that **fund** calculated at the next **valuation** after we receive the premium and any documents that we may reasonably ask for (for example a fully completed application form) at our **administration office**.

#### 6 Valuation

- a We work out the value of each **fund** at the valuation point each **working day** using the following principles.
  - For **property** where there is one price for buying and selling, the **property** will be valued according to that price.
  - For **property** where there is a price for buying and a separate price for selling, the **property** will be valued according to the average of the two prices.
  - **Property** which is quoted or traded on a recognised stock exchange will be valued with regard to the prices quoted on that exchange. If any **property** is listed on more than one stock exchange, we will decide which quote gives the most appropriate valuation.
  - The value of any land and buildings will be related to the value determined by independent valuers we appoint and we will adjust the price to take account of changes in **property** prices between valuations.
  - For **property** where we reasonably regard the price for the **property** as unreliable or where there is no recent traded price, we will value the **property** according to a price which we believe is fair and reasonable.
  - We may adjust the value of any **fund** to take into account matters such as income and premiums received but not yet invested and deductions from the **fund** which are or may be payable at or after the **valuation** (see condition 7), to prevent the dilution of the **fund** through the linking, cancellation or switching of **units** and to preserve equity between planholders.
- b If for any reason (for example, new laws or court decisions) we reasonably decide that it is impossible or impracticable to value any investments in a **fund** in the way described above we may change the way in which we value those investments to a manner which is fair and reasonable.
- c In working out **unit prices**, we will round to the nearest one decimal place in pence (e.g. 97.24p is rounded to 97.2p, 97.26p is rounded to 97.3p).
- d If a **guarantee valuation date** or **money back guarantee date** falls on a day which is not a **working day**, then the **valuation** applicable to that day will be the first **valuation** after that day.

## 7 Deductions and Charges

- a** We will deduct from each **fund** amounts for the following which will reduce the **unit price of units** in that **fund**.
- All expenses, taxes, duties and other charges which arise from us buying, selling, valuing and maintaining **property** of the **fund**. If this **property** is land and buildings, we will also take an amount to cover the cost of managing, repairing, rebuilding and insuring this **property**.
  - Interest on money borrowed for the **fund**.
  - Taxes in connection with the income from, and capital gains on, the **property** of the **fund**, as long as these are not greater than the taxes we would be liable to pay if the **fund** made up all of our life assurance investments and we had no expenses.
  - Any other expenses, taxes or charges associated with the **fund** (including any levy or charge under the Financial Services and Markets Act 2000).
  - Our **management charge**.
- b** We may apply a different level of **management charge** to each **fund**. We will tell you the level or levels of our **management charge** before your **plan** starts. We may change the level or levels of our **management charge** in line with condition 13.
- c** Where one **fund** invests in **units** of another **fund**, no double charging will occur.
- d** During the first five years after the start date we may apply an early withdrawal charge. Any early withdrawal charge will be taken from the value of the units being cashed in. Please refer to the key features document of your plan to see if early withdrawal charges apply and the amount of any charges.

## 8 Cashing in units

- a** You can contact our **administration office** and request an information pack, which includes a withdrawal form, at any time. Contact details can be found in your Key Features document. To ask us to **cash in** some or all of the **units** linked to your **plan** you must complete and return the withdrawal form to our **administration office**. If you wish to **cash in units** in a **guaranteed investment fund**, and if the **cash in** value of those **units** is likely to be equal to or more than £500,000, you must give us thirty days prior written notice at our **administration office**.
- b** The amount of the cash sum we will pay under condition 8a will be equal to the value of the **units** cancelled on the next **valuation** after we receive your completed withdrawal form at our **administration office** or after the end of the thirty day notice period less the amount of any early withdrawal charge (as appropriate). We may not pay this cash sum until we

receive at our **administration office** any documents, information and consents for which we have asked and which we reasonably consider are necessary (see condition 16b).

- c** We set a minimum amount for the cash sum we will pay under this condition to reflect our costs in administering the **cashing in** of **units**. If the cash sum is less than this minimum amount, we will not **cash in** the **units** and we will tell you the minimum amount which applies at that time. If you ask us we will tell you the minimum amount which applies at that time. We may change it in line with condition 13.
- d** We set a minimum amount for the value of **units** that must remain linked to your **plan** after we **cash in** some **units**. If the value of the **units** linked to your **plan** would be less than this minimum amount, we will not **cash in** the **units** unless you ask us to **cash in** all of the remaining **units** linked to your **plan**. If you ask us we will tell you the minimum amount which applies at that time. We may change it in line with condition 13.

## 9 Guarantees

- a** If you have **units** in a **guaranteed investment fund**, and if the **unit price** of the **units** in that **fund** at any **valuation** on or after the **money back guarantee date** is less than the **unit price** at the **valuation** on the **guarantee valuation date**, then we will add extra **property** to that **fund** so that the **unit price** is increased to that on the **guarantee valuation date**.
- b** If you have **units** in a **guaranteed investment fund**, and if the **unit price** of the **units** in that **fund** at any **valuation** on or after the **start date** is less than 80% of the highest **unit price** achieved while you have been invested in that **fund**, then we will add extra **property** to that **fund** so that the **unit price** is increased to 80% of the highest **unit price** achieved.
- c** On or after the **money back guarantee date** for a **guaranteed investment fund**, the greater of the guarantees in 9a and b above will apply in relation to that **fund**.

## 10 Death benefit

- a** If there is only one **life covered**, we will pay the **death benefit** when that **life covered** dies. If there are two **lives covered**, we will pay the **death benefit** on the second of them to die.
- b** The **death benefit** will be the greater of:
- the value of the **units** linked to the **plan** at the **unit price** on the next **valuation** after we receive notice of the death of the relevant **life covered** at our **administration office**; and
  - the **minimum death benefit** (if any) worked out under condition 10c.

- c The **minimum death benefit** will be the value of your **plan** at the **start date**. If you **cash in units**, the **minimum death benefit** will reduce by a percentage equal to the percentage reduction of the value of the **plan** caused by you **cashing in** those **units**. For example, if you **cash in units** equal to 10% of the value of your **plan**, the **minimum death benefit** will be reduced by 10%.
- d We will cancel all **units** linked to the **plan** to pay the **death benefit**. The **plan** will then end.
- e We will not pay **death benefit** unless we are given suitable proof of the death of the **life covered** or **lives covered** (as appropriate) and your title to the **plan**.
- f We will also not pay **death benefit** unless we are given any other proof or information that we may reasonably ask for.

## 11 Switching

- a From the **guarantee valuation date** given in the **schedule**, you can write and ask us to cancel all of the **units** of a **guaranteed investment fund** linked to your **plan** and exchange them for **units** of the same total value in the **balanced investment fund**, that value being determined in line with condition 11b. Your request to switch must be made in writing or by any other method that we permit. You cannot switch **units** from the **balanced investment fund** into a **guaranteed investment fund** unless we agree otherwise. If you wish to switch **units**, and if the **cash in** value of those **units** is likely to be equal to or more than £500,000, you must give us thirty days prior written notice at our **administration office**.
- b A switch of **units** between the **funds** will be based on the **unit price** of **units** at the next **valuation** after we receive your written request at our **administration office** or the **valuation** after that, depending on the time at which we receive your request, or after the end of the thirty day notice period (as appropriate). If you ask us, we will tell you the time by which we must receive your request for the next **valuation** to apply to the switch of **units**. We may change it in line with condition 13.
- c We may make a charge (by cancelling **units** at the **unit price**) to reflect our costs of administering switches between **funds**. If you ask us we will tell you the charge which will apply to switch **funds**. We may change it in line with condition 13.
- d The options under this condition 11 will not be available if the value of **units** to be cancelled or linked to your **plan** would be less than any minimum limit we set. If you ask us we will tell you the level of any minimum limit at that time. We may change it in line with condition 13.

## 12 Special circumstances

- a We can put off cancelling **units** in a **fund** for a period of no more than six months for **funds** which hold **property**, directly or indirectly, in land and buildings, and no more than one month in all other cases in the following circumstances.
  - Situations beyond our reasonable control which affect us, such as:
    - act of God
    - storm, fire, earthquake or other form of natural disaster
    - war, riot, civil commotion or military action or political unrest or a similar event
    - government action
    - acts of terrorism
    - boycott, embargo or other form of sanction
    - strike, lock out or other industrial action
    - explosions
    - electrical failure
    - failure of communications system; or
    - failure of carrier to carry out their duty.
  - If there are unusual market events, such as a large and unexpected fall in asset values or the suspension of or a material limitation imposed on a relevant investment exchange.
  - If we cannot sell assets without our other planholders losing out.
- b We can also put off cancelling **units** in a **fund** for a period of no more than six months for **funds** which hold **property**, directly or indirectly, in land or buildings, and no more than one month in all other cases in any other circumstances we reasonably consider to be unusual.
- c In special circumstances such as those described above, the **unit prices** we will use when cancelling the **units** will be those at the next **valuation** after the period of delay ends.
- d We will tell you at the earliest opportunity if we have to use condition 12a or b for your **plan**.

## 13 Changes to your plan

- a If you or any **life covered** fails to give a true and complete answer to any question (to the best of that person's knowledge and belief at the time) in any document which we have asked to be filled in, we may change or cancel the **plan**, as we may reasonably consider appropriate to take account of the information we were not given.
- b We will tell you at the earliest opportunity if we have to use condition 13a for your **plan**.

- c** By giving you at least 30 **working days**' notice in advance of the change, we can change any of these conditions. We will only make changes for good reason including but not limited to:
- making them easier to understand or more favourable to you
  - reflecting a change of applicable law or regulations, or our interpretation of law or regulations
  - reflecting a decision or recommendation made by, or a requirement of, a court, ombudsman or regulator or any undertaking given to such body
  - reflecting legitimate increases or reductions in the cost of providing the plans, managing the funds and/or providing the guarantees
  - correcting any mistakes; or
  - reflecting changes to our administrative processes.

If we change these conditions for valid reasons that are not specified in these conditions and you are not happy with those changes, we will waive any applicable early withdrawal charge for a period of 90 days from the date we notify you of the change, should you wish to **cash in your plan**.

- d** We can also change the **management charge** under condition 7 or the switching charge under condition 12 for any valid reason. We will give you reasonable notice of at least 10 **working days** in advance of any change under this condition. You will be free to **cash in your plan** under condition 8. Any change under this condition will be a proportionate response to the reason for that change.
- e** We can also change these conditions if it is fair and reasonable to make the change. We will give you reasonable notice of at least 10 **working days** in advance of any change made under this condition. You will be free to **cash in your plan** under condition 8.
- f** If we delay in enforcing any term which forms part of these conditions, this will not affect our right to enforce it or the rest of those terms.

- g** If we choose not to enforce any term which forms part of these conditions, this will not affect our right to enforce the rest of those terms.
- h** Each paragraph and sub-paragraph in these conditions is separate from the others. This means that if we cannot enforce any one paragraph or sub-paragraph in these conditions, this will not affect our right to enforce any other paragraph or sub-paragraph.

## 14 Money laundering

We may ask for proof of your identity and other relevant information in line with the law to prevent money laundering. If you do not provide this or we are not satisfied with the proof or other relevant information that you provide, we may:

- not start your **plan**
- end your **plan**; or
- refuse to make payments from your **plan**.

The price at which we then secure or cancel **units** for your **plan** could be higher or lower than the price at the time we received your application or instructions.

## 15 General

- a** For joint **plans**, we will make all payments under this **plan** to the planholder named first in the **schedule** unless we agree otherwise.
- b** We may not accept any instruction, request or notice or pay any benefit until we receive at our **administration office** any documents, information and consents for which we have asked and which we reasonably consider are necessary.
- c** All notices which affect the ownership of this **plan** must be given in writing to us at our **administration office**.
- d** The **schedule** shows details of the **plan** at the **start date**. We may give you notice of a change to your **plan** rather than issuing you with an endorsement. Our records will be conclusive evidence of the details of your **plan**. You can request a statement showing these details at any time.
- e** The **plan** does not create privity of contract between us and the **life or lives covered** (unless they are also planholders).
- f** The **plan** may be enforced only by the parties to the **plan** and not by any third party under rights conferred by the Contracts (Rights of Third Parties) Act 1999 as may be in force from time to time.
- g** It is agreed that the **plan** is governed by the laws of England and Wales.
- h** It is agreed that any dispute will be dealt with by the English courts.

