Lifestyle profiles are designed for customers investing for retirement.

The funds used within lifestyle profiles 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, as with any investment the value of your fund can go up or down and may be worth less than you paid in).

As you get closer to retirement, the investment aims of the profiles 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 (although you should regularly check the progress of your investment and decide if it’s still appropriate for you).

With the Standard Life Balanced Managed II Lifestyle Profile, your investments start in the Standard Life Managed Pension Fund. The Lifestyle Profile then gradually begins to move into the Standard Life Multi Asset Managed (20-60% Shares) Pension Fund, the Standard Life Annuity Purchase Fund and the Standard Life Deposit and Treasury Pension Fund.

You should read this together with the ‘How to choose the right investment options for your pension’ guide.
How it works

The graph below illustrates how the funds you invest in will vary during the years before your selected retirement date.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund code</th>
<th>Volatility rating</th>
<th>FMC</th>
<th>Additional expenses</th>
<th>Total annual fund charge</th>
<th>Active/Passive investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Life Managed Pension Fund</td>
<td>FA</td>
<td>5</td>
<td>1.00%</td>
<td>0.01%</td>
<td>1.01%</td>
<td>Active</td>
</tr>
<tr>
<td>Standard Life Multi Asset Managed (20-60% Shares) Pension Fund</td>
<td>F8</td>
<td>3</td>
<td>1.00%</td>
<td>0.01%</td>
<td>1.01%</td>
<td>Active</td>
</tr>
<tr>
<td>Standard Life Annuity Purchase Fund</td>
<td>F9</td>
<td>4</td>
<td>1.00%</td>
<td>0.01%</td>
<td>1.01%</td>
<td>Active</td>
</tr>
<tr>
<td>Standard Life Deposit and Treasury Pension Fund</td>
<td>G4</td>
<td>1</td>
<td>1.00%</td>
<td>0.01%</td>
<td>1.01%</td>
<td>Active</td>
</tr>
</tbody>
</table>

The charges are not guaranteed. They are regularly reviewed and may be changed in the future. The information in this guide is correct as at November 2013.

If you need more help to understand this table, please see the ‘How to choose the right investment options for your pension’ guide.

Please see the ‘How to choose the right investment options for your pension’ guide for an explanation of active/passive investments.
Important Information

Before making your investment choices, please make sure you read the following information, which includes details of some of the risks you should be aware of.

Before you decide to buy, you need to know what the risks and commitments are. Read our Key Features Document. It will help you decide if this product is right for you. If you're still not sure what to do, you may want to speak to a financial adviser. There may be a cost for this.

Before choosing a lifestyle profile, you need to consider how you’re intending to take your retirement income. Many lifestyle profiles have been specifically designed for customers intending to buy a level or index-linked annuity, and/or take their maximum tax-free lump sum. Some lifestyle profiles may be designed for customers who intend to use income drawdown. It’s also important to consider when you will take your retirement income as lifestyle profiles may only be suitable for customers intending to retire at their selected retirement age. If you aren’t sure how and when you should take your retirement income, or whether a lifestyle profile is suitable for your needs, you should speak to a financial adviser.

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

The return on each fund depends on the performance of the assets it invests in and the charges on the fund.

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 may be worth less than what was paid in.

We review volatility ratings regularly and they can change over time.
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.

The asset mix that each fund invests in is continuously reviewed. It may be changed in line with developments in the relevant markets. Part of each fund may be held in cash and other money market instruments – see the ‘How to choose the right investment options for your pension’ guide for more information.

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 from our funds 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 profile listed here were correct when this document was published. We can’t guarantee that they will be available when you make an investment.

For more information about the funds that make up the Standard Life Balanced Managed II Lifestyle Profile, see the ‘About the funds’ section.
About the funds

Here are some details about the funds that make up the Standard Life Balanced Managed II Lifestyle Profile. 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 volatility ratings, charges and investment approaches of these funds, please see the ‘How it works’ section and the ‘How to choose the right investment options for your pension’ guide.

Standard Life Managed Pension Fund (Fund code: 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 Multi Asset Managed (20-60% Shares) Pension Fund (Fund code: 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 Annuity Purchase Fund (Fund code: 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. The fund invests predominantly in bonds whose prices are normally expected to rise and fall broadly in line with long term interest rates, which in turn are one of the major factors affecting 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 (Fund code: 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.