

Your investment choices

Warwickshire County Council Group Additional Voluntary Contributions Plan

from Standard Life



Your investment choices

This booklet covers:

- Important information about some of the risks you should be aware of when investing.
- Information about volatility ratings to help you decide which fund(s) may be suitable for you.
- Information about the range of funds available to you in the Warwickshire County Council Group Additional Voluntary Contributions (GAVC) Plan from Standard Life.
- The charges that will apply.

Choosing where to invest your money is one of the most important decisions you have to make when arranging a pension.

This guide is intended to give you basic information about the range of funds available to you. These funds have been selected by Warwickshire County Council based on advice from its pension advisers. If you are in any doubt as to which fund(s) you should choose, we strongly recommend you speak to a financial adviser. There may be a cost for this.

If you would like more information on any of these funds, please contact Standard Life on: **0845 279 8831**

Call charges may vary. Calls may be recorded/monitored to help improve customer service.

Important information

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

- **Before joining this Plan, you need to be aware of the risks and commitment involved. Details are available in the Key Features Document.**
- The return on your investment in investment-linked funds is directly related to the performance of the assets in which they invest and the charges on the fund.
- The price of units in investment-linked funds depends on the value of the underlying assets and can go down as well as up. You may not get back as much as you invest.
- The volatility ratings for funds are kept under review and might be subject to change.
- The sterling value of overseas assets in these funds may rise and fall as a result of exchange rate fluctuations.
- The asset mix for each investment-linked fund is continuously reviewed and may be changed in line with developments in the relevant markets. A proportion of each fund may be held in cash and other money market instruments.
- In order to maintain fairness between unitholders remaining in and unitholders leaving a fund, we may, in exceptional circumstances, delay transferring or switching all or part of your funds for up to one month or, in the case of units of a fund which invests directly or indirectly in buildings or land, for up to six months. If we delay the transfer or switch, we will use the unit prices that apply on the day on which the transfer or switch actually takes place.
- If you decide to invest in a property fund, you should be aware that property can be difficult to sell, so you might not be able to sell your investment when you want to. In exceptional circumstances, it may take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.

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Important information

- You can switch your payments in and out of various funds to change the mix of investments but you can only invest in 12 funds at any one time. The maximum number of different funds you can invest in during the term of your plan is 20.
- Funds linked to the fund of external fund managers may be withdrawn at any time by their respective investment company – this is outside Standard Life’s control. Standard Life is not responsible for the investment performance of these funds. The external fund manager may suspend dealings in their fund or delay withdrawals from it.
- The charges and additional expenses are not guaranteed. They are regularly reviewed and may be changed in line with developments in the relevant markets.
- As part of a fund manager’s investment strategy they may lend some assets from their funds to selected financial institutions, with the objective of improving the returns to the fund. Lending assets involves an element of risk. This risk is managed by the fund manager who may apply controls, such as obtaining security from the borrower and monitoring the borrower’s credit rating.
- Funds may be able to use derivatives for the purpose of efficient portfolio management and in some cases meeting their investment objective. A derivative is a financial instrument, the value of which is derived from the underlying value or movement in other assets, financial commodities or instruments, such as equities, bonds, interest rates etc. There is a risk that a counterparty will wholly or partially fail to honour their contractual obligations under the arrangement. Where a counterparty fails the fund could suffer a loss. As part of the management of a fund it is possible to use a number of controls, such as holding collateral and monitoring credit ratings, in order to reduce the impact of this risk. Depending on how they are 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.

Volatility rating

The volatility rating of an investment-linked fund is an indicator of how much the fund price might vary relative to other funds. The higher the volatility rating, the less stable the fund price is likely to be. You can use this to help you decide how much risk you're comfortable taking with your investments.



We allocate ratings using the judgement of our experts taking into account data on:

- how the fund price has varied from month to month in the past, relative to other funds available
- how investments in similar asset classes vary from month to month and the investment policy of the fund.

Typically, the higher the volatility rating, the greater the potential investment returns over the longer term. However, high volatility funds are more likely to suddenly fall or rise in value. The volatility rating is not the only factor you should consider when selecting a fund. If you are unsure of which funds to choose you may wish to seek advice from a financial adviser.

Annual Management Charge

Details of the Annual Management Charge (AMC) for each fund is shown. This is the charge that applies to money invested in a fund. However, your employer has negotiated enhanced terms with Standard Life that will reduce the effect of the yearly charge. For any funds you select, you will receive a rebate on the charge shown of 0.375% of the value of your fund each year. This is achieved by creating units in your fund each month.

Additional Expenses

Fund managers may charge an additional expense to cover costs such as trustees', registrars', auditors' and regulators' fees and safe custody charges. Where this charge applies, it is taken directly from the fund and is included in the unit price.

The charges and additional expenses are not guaranteed. They are regularly reviewed and may be changed in the future. Any increases in charges will not increase Standard Life's profit margins above reasonable levels. The additional expenses quoted are correct as at July 2010.

Funds available

Details of the range of funds available to you are contained in the following pages.

Please note that the Annual Management Charge (AMC) shown for each fund does not take into account the rebate you are entitled to, as described in the 'Annual Management Charge' section on page 6.

The fund descriptions may contain terminology you are not familiar with. Please contact your financial adviser if you need an explanation of the terms used.

Some of the funds described invest in underlying funds managed by fund managers other than Standard Life Investments. Where you choose to invest in one or more of these funds you should note that the fund descriptions are provided to Standard Life by the external fund manager. Standard Life cannot guarantee the accuracy of this information.

It should also be noted that the investment performance you will experience from investing in the Standard Life version of an external fund will vary from the investment performance you would experience from investing in the underlying fund directly. This will be as a result of a number of differences, such as charges, tax and timing of investment.

Fund Descriptions

SL BlackRock Aquila HP UK Equity Pension Fund

Fund code: JP

Additional Expenses: 0.01%

AMC: 1.00%

Volatility rating: 5

This fund aims to invest in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Index*. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the UK.

SL BlackRock Aquila HP (50:50) Global Equity Pension Fund

Fund code: JO

Additional Expenses: 0.01%

AMC: 1.00%

Volatility rating: 5

This fund aims to invest 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 the Far East. The fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.

SL HSBC Amanah Pension Fund

Fund code: JB

Additional Expenses: 0.00%

AMC: 1.30%

Volatility rating: 5

The fund aims to create long-term appreciation of capital through investment in a well diversified portfolio of equities listed worldwide in a manner that is consistent with the principles of the Shariah.

SL BlackRock Aquila HP World (Ex-UK) Equity Pension Fund

Fund code: JQ

Additional Expenses: 0.02%

AMC: 1.00%

Volatility rating: 5

The fund aims to invest in the shares of overseas companies (Europe, Japan, Far East, US and Canadian markets) according to market capitalisation weightings. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market. This fund aims to achieve a return in line with the FTSE All-World Developed ex-UK Index*.

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Fund Descriptions

Standard Life Pension Ethical Fund

Fund code: G7

Additional Expenses: 0.00%

AMC: 1.00%

Volatility rating: 4

The fund aims to provide long term growth by investing in a diversified portfolio of assets (including equities and corporate bonds) that meet our strict ethical criteria. The fund's assets can be from both the UK and overseas and are predominantly equity based. The ethical criteria are agreed with the Standard Life Ethical Committee and may be amended from time to time if considered appropriate. The fund manager will exclude companies which fail to meet the ethical criteria whilst seeking to include companies whose business activities are regarded as making a positive contribution to society.

Standard Life Pension Managed Fund

Fund code: FA

Additional Expenses: 0.00%

AMC: 1.00%

Volatility rating: 4

The fund aims to provide long-term growth whilst investing in a diversified portfolio of assets (including equities, fixed interest and property) 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.

SL BlackRock Aquila HP Consensus Pension Fund

Fund code: JU

Additional Expenses: 0.02%

AMC: 1.00%

Volatility rating: 4

The fund aims to provide a low-cost alternative to traditional balanced fund management. It aims to produce consistent investment performance in line with the average UK pension fund and to avoid any violent swings between the upper and lower ends of the pension fund performance league tables.

Standard Life Pension Property Fund

Fund code: FM Additional Expenses: 0.00%
AMC: 1.00% Volatility rating: 3

The fund aims to provide long-term growth from a combination of income and capital growth by investing predominantly in prime quality UK properties. Typically, the fund will invest in a mix of freehold and leasehold properties selected from across the retail, office and industrial sectors. The fund may also invest in European properties and in property development opportunities. As well as direct investments, the fund may also invest indirectly in property through investment vehicles such as quoted property companies or collective investment schemes.

SL BlackRock Aquila HP Over 15 Year Gilt Pension Fund

Fund code: ND Additional Expenses: 0.01%
AMC: 1.00% Volatility rating: 3

The fund aims to invest in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index*, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.

SL BlackRock Aquila HP Over 5 Year Index-Linked Gilt Pension Fund

Fund code: NB Additional Expenses: 0.00%
AMC: 1.00% Volatility rating: 3

The fund aims to invest in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index*, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.

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Fund Descriptions

Standard Life Investments Global Absolute Return Strategies (GARS) Fund

Fund code: YX

Additional Expenses: 0.12%

AMC: 1.50%

Volatility rating: 3

The fund is invested in the Standard Life Investments Global Absolute Return Strategies Fund, which aims to provide positive investment returns in all market conditions over the medium to long term. The investment team who actively manage the fund have a wide investment remit to help them try to achieve this aim. The team look to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

Standard Life Corporate Bond Fund

Fund code: HH

Additional Expenses: 0.00%

AMC: 1.00%

Volatility rating: 2

The fund aims to provide long term growth mainly from the re-investment of income generated by investing predominantly in Sterling denominated corporate bonds. The fund is actively managed by our investment team who may also invest a proportion of assets in other fixed interest securities (e.g. overseas bonds and gilts) and/or money market instruments to try to take advantage of opportunities they have identified.

Standard Life Pension Managed Cash Fund

Fund code: G4

Additional Expenses: 0.00%

AMC: 1.00%

Volatility rating: 1

The fund aims to provide a return before charges equivalent to overnight deposits 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 interest income falls so low as to be less than the charges applied to the fund.

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Five Year Lifestyle Profile

Fund code: 1FIV

You can also choose to invest in the Five Year Lifestyle Profile option. This is illustrated in the graph on page 14.

Lifestyle Profiles are an option that automatically change the funds you are invested in, depending on the length of time until your selected retirement date. As you get closer to retirement, they move the emphasis away from growth to preparing your pension fund for your pension benefits at your selected retirement date.

This aims to align your pension funds with your plans for retirement and reduce the effect on your fund of changes in the value of investment markets. Such changes could affect the level of retirement benefits your investments can achieve when you come to retire.

In the Five Year Lifestyle Profile your investments are initially invested in the SL BlackRock Aquila HP (50:50) Global Equity Pension Fund and then gradually move to the Standard Life Pension Managed Cash Fund.

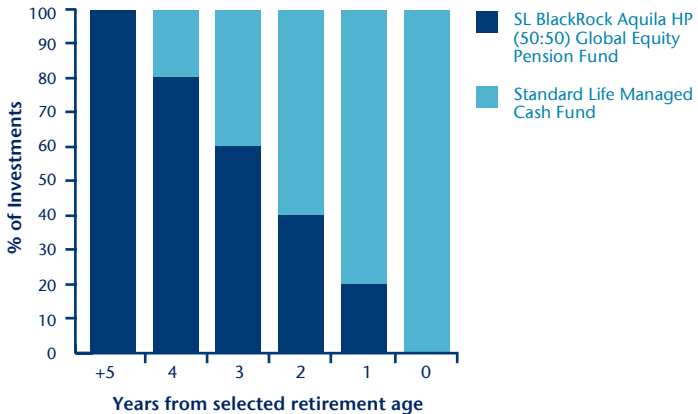
Before making this choice, you need to consider the following. The Five Year Lifestyle Profile may not be suitable for everyone (e.g. it may not be suitable for customers who do not intend to retire at their selected retirement age). You should take financial advice before making any investment decision. You also need to be aware of the risks and commitment involved. Details are available in your Key Features Document.

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Fund Descriptions

Funds with higher growth potential are usually more volatile funds. This means that the fund price may vary more than for those of lower volatility. Typically, the higher the volatility rating, the greater the potential investment returns over the long term. However, higher volatility funds are more likely to suddenly drop in value. Please be aware that lower volatility funds also have growth potential, though it will usually be lower than for higher volatility funds.

If you choose to invest in a Lifestyle Profile you cannot combine this with any other investment-linked fund. All funds are subject to risk and the value of units in funds can go down as well as up, so you may get back less than you pay in. The return on your investment in whichever funds you choose is directly related to the performance of the assets in which the funds are invested. A proportion of each fund may be held in cash or other money market instruments. The sterling value of overseas assets in these funds may rise and fall as a result of changes in the exchange rate. The funds may use derivatives for the purposes of efficient portfolio management or to meet their investment objectives.

For more information about the funds that make up the Lifestyle Profile including the charges and volatility, refer to the individual fund descriptions within this booklet. You should also read the important information on pages 4 to 5.



Speak soon.

If you'd like more information on the products in this booklet, just call us on this number, or visit our website. Call charges may vary and your call may be recorded or monitored to improve our service.

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www.standardlife.co.uk

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