

With effect from 20 May 2016, the underlying fund in which the Standard Life Property Fund* directly invests in is changing.

1. How is the Fund changing?

Currently the fund invests directly in the Standard Life Investments UK Property Fund. A decision has been made to merge this fund with the Standard Life Investments Ignis UK Property Fund to form the Standard Life Investments UK Real Estate Fund.

A comparison of how the two existing funds and new merged fund compare is shown below:

Key metric	Standard Life Investments UK Real Estate Fund (Combined underlying fund)	Standard Life Investments/ Ignis UK Property Fund	Standard Life Investments UK Property Fund (existing fund)
Fund size	£3 billion	£1.5 billion	£1.5 billion
Number of properties	125	67	58
Average lot size	£19.1m	£18.9m	£19.3m
Equivalent yield	5.5%	5.3%	5.6%
Cash as a % of net asset value	20.8%	18.6%	23.2%

Sources: Standard Life Investments, IPD, 31 December 2015

George Shaw will be the fund manager of the combined underlying fund (the 'Fund'). He was previously manager of the Ignis Fund and will be supported by the strength and expertise of over 40 investment professionals at Standard Life Investments.

2. Why are the changes being made?

These changes are being made in the best interests of investors. A key benefit of the merger will be the increased diversification in the Fund by holding a wider range of properties across different sectors and locations.

Having a larger fund will also present greater opportunities to invest in larger properties in the future.

3. Is the Fund description changing?

Yes, the previous and new descriptions are shown below:

Previous fund description:

The fund aims to provide long term growth from a combination of income and capital growth by investing primarily in UK commercial properties. Typically the fund will invest in a mix of freehold and leasehold properties selected from across the retail, office, industrial and other 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. Typically at least 95% of the non euro assets will be hedged back to euro. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.

New fund description:

The Fund aims to provide income and capital growth by investing predominantly in UK real commercial property, selected from across the retail, office, industrial and other sectors. The Fund is actively managed and will typically invest in a mix of freehold and leasehold properties. The Fund may also invest in other property related assets including shares, bonds and other property funds. The Fund may also invest in cash, short term government bonds as well as gilts. Typically at least 95% of the non euro assets will be hedged back to euro. Selling property can be a lengthy process so investors in the Fund should be aware that they may not be able to sell their investment when they want to.

4. What action do I need to take?

No action is required if you are happy to continue to invest in the Fund.

5. Will the Annual Management Charge change?

No, the Annual Management Charge (AMC) will remain the same. However, if you choose to switch to another investment fund or investment option different charges may apply.

6. Will any costs be incurred by customers due to the changes?

No, any costs as a result of the merger will be met by Standard Life Investments.

7. I pay regular contributions into the Fund. Can I continue to invest them in this Fund?

Yes. The Fund is not closing. The Fund is remaining open and can continue to receive regular contributions as normal.

8. Can I switch out of the Fund before the change?

Yes you can switch out of the Fund at any time before or after the change and into any other investment option available to your product. We recommend you talk to your financial adviser or go to **standardlife.ie** for information about the investment options available on your policy.

9. Are the warnings still the same?

Yes the same warnings still apply. The value of investments within the Fund can fall as well as rise and is not guaranteed – you may get back less than you pay in. The Fund and its holdings may use derivatives for the purpose of efficient portfolio management, reduction of risk or to meet its respective investment objective if this is permitted and appropriate. The euro value of overseas assets not fully hedged back to euro held in the Fund may rise and fall as a result of exchange rate fluctuations.

*These changes apply to both the Net and Gross versions of the Standard Life Property Fund.

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