

Why choose structured deposits?



For advisers' use only (not to be relied on by anyone else)

The key benefits of investing in structured deposits through an International Bond

Capital protection.

The potential for capital growth linked to the performance of higher risk investments.

Any growth is virtually free of tax.*

What are structured deposits?

Structured deposits are fixed term investments issued by banks that guarantee to return at least 100% of the capital invested at the end of the term. The potential for capital growth comes from returns that are usually linked to the performance of higher risk investments, such as equity indices. The capital guarantee is provided by the structured deposit provider and not by Standard Life International Limited.

How can structured deposits meet your clients' needs?

Structured deposits are a fixed term investment that combines capital protection with the potential for capital growth dependent on the performance of the underlying investment, e.g. the FTSE being a certain level at the end of the fixed term. In the current climate of low interest rates and stock market volatility, structured deposits may be suitable for your clients who want to take a lower level of investment risk with their capital but want to benefit from the potential returns from higher risk investments.

What are the benefits of a structured deposit?

- Capital protection – your client will get back at least 100% of their initial investment from a structured deposit at the end of the term (before the deduction of International Bond product charges).
- Potential for higher returns than a traditional deposit account, depending on the performance of the underlying investment.
- Diversify your client's portfolio and investments.
- You can choose from a range of providers and products with different terms and conditions to suit your client's needs.

What are the additional benefits of investing via an International Bond?

- Any growth is virtually free of tax.
- At the end of the structured deposit term, the maturity value is paid into the International Bond Bank Account where your client can re-invest in a wide range of investments – continuing to get the benefits from investing offshore. The value of investments may go down as well as up and your client may get back less than they invest.

Structured deposits and the International Bond

When investing via an International Bond, your client does not directly invest in the structured deposit themselves, the account will be held in the name of Standard Life International Limited.

What are the risks?

- The capital guarantee is provided by the structured deposit provider and not by Standard Life International Limited. The capital guarantee is dependent on the financial security of the bank that provides the structured deposit. Your client could get back less than they paid in if the bank providing the capital guarantee becomes insolvent.
- Standard Life International Limited does not offer any guarantees on the structured deposit provider and are not responsible for any losses incurred as a result of investing.

*Irrecoverable withholding tax may be payable on certain investment funds, as in some countries withholding tax is from dividends and interest payments. Please see the Important notes on page 2 for further information.

- The return from structured deposits is dependent on the performance of the underlying investments and how this is calculated. The method of calculating the return may vary by product and it is important to understand the details of the structured deposit before investing. The value of investments can go down as well as up.
- Product charges on the International Bond will reduce the return your clients receive. This could result in your client getting back less than their initial investment if the return is less than the product charges.
- Structured deposit accounts have a fixed term and there are charges for withdrawing early. Withdrawing early could result in a return of less than the initial investment. The terms and conditions for withdrawals will vary by product and provider and they may not be known at the point the product is taken out.
- A structured deposit will provide some capital protection against market falls, but will potentially provide less than 100% exposure to market rises. It depends on the terms of the structured deposit and the method of calculating the return.

What structured deposits are available via the International Bond?

We offer a selected panel of structured deposit providers to choose from, offering a range of products with different terms and conditions to suit your client's needs.

You can invest in any structured deposit via our International Bond, as long as it meets the appropriate regulatory requirements and our own internal standards. We will verify whether the account you want your client to invest in is permitted. It is your responsibility to ensure you are aware of the terms and conditions of the structured deposit and that it is appropriate for your client's needs.

What are the charges?

Investing in structured deposits carries a charge of 0.55% under our International Bond. Your client needs to ensure that there is sufficient money within their International Bond Bank Account to meet all charges. Your client will need to allow for this charge in addition to the amount invested in the structured deposit. Depending on the value of the investment in our International Bond, your client could qualify for a large fund discount on the product charges.

Structured deposit providers may also apply charges within the terms and conditions of the structured deposit, these will be charged separately to the International Bond product charges.

Where do I get information on the accounts currently available?

For more information on structured deposits and the accounts currently available go to www.adviserzone.com/offshore

Important notes

- All information in this document relating to taxation is based on our understanding of law and practice in Ireland and the UK at June 2010. The future tax position of the bond or your client's own tax position may alter. The tax information given only applies if your client is resident in the UK for tax purposes.
- Any growth is virtually free of tax. Irrecoverable withholding tax may be payable on certain investment funds, as in some countries withholding tax is deducted from dividend and interest payments. If your client invests in a net fund, where tax is paid on returns within the fund, where possible Standard Life International will reclaim the tax paid within the fund and return this to your client. We may not be able to reclaim tax due to changes in HM Revenue & Customs practice.
- No guarantees are given regarding the effectiveness of any arrangement entered into on the basis of this document.
- Investments in deposit accounts (including structured deposits) will not be covered by the UK Financial Services Compensation Scheme (FSCS) should the deposit account provider become insolvent.
- Charges are regularly reviewed and may be increased to reflect increases in overall costs and/or changes in the assumptions made. Any increases in charges will not increase Standard Life International's profit margins above reasonable levels.