

# Aberdeen Life Funds

A guide to buying and selling units

March 2008



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## CONTACT US

**By post:** Aberdeen Asset Management Life and Pensions Limited  
One Bow Churchyard, London EC4M 9HH

**By fax:** Life and Pensions Dealing Team  
020 7463 6531

**By telephone:** Please contact your dedicated Client Service Associate

# Introduction

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## YOUR GUIDE TO BUYING AND SELLING UNITS IN ABERDEEN LIFE'S FUNDS

This guide has been prepared to assist you and your pensions administrator. It explains how to buy and sell units in Aberdeen Life's funds and how to switch units between funds.

For the purposes of your policy with Aberdeen Life, this guide constitutes notice of the procedures to be followed in order for your instructions to be valid. However, where there is a conflict between this guide and your policy, the provisions of your policy document will always prevail.

This guide replaces all previously issued dealing guides which should be discarded. Terms used in this dealing guide are as defined in the policy document. Any terms not defined in the policy document have their customary meaning.

### ABERDEEN LIFE UK PROPERTY FUND

The Aberdeen Life UK Property Fund is a fund that invests predominantly in the RREEF UK Core Property Fund ('CPF') formerly known as the Deutsche UK Managed Property Fund which, in turn, invests indirectly in UK real property.

You should be aware that UK real property is illiquid, and may result in deferment of the surrender of units in the Fund. The value of property is generally a matter of a valuer's opinion rather than fact. More information on this issue can be found in your policy document.

### HOW TO PLACE DEALS

Aberdeen Life will buy, sell and switch units under your policy on the basis of your instructions in accordance with the procedures set out in this guide. We exercise no discretion as to the allocation of your monies between the various funds - we therefore act purely on an execution only basis.

Any ambiguity in your instructions could cause problems (potentially leading to losses) and it is therefore essential that your instructions specify:

- the fund ID to which each transaction relates;
- the cash value or number of units and
- the Fund descriptions and unit classes.

### Your instructions must be given in aggregate

We hold no records to identify the contributions of individual members of your scheme. These individual holdings are recorded and reconciled by your pensions administrator. You should only advise us of the total transactions for each fund and class of unit.

### Your instructions must be in writing

All instructions must:

- be signed by the requisite number of authorised signatories;
- be sent by post or by fax to the correct department;
- include the fund ID to which the transaction relates;
- include the cash value or number of units and
- specify the fund description and unit classes.

Please note that at the current time, we cannot accept any instructions sent via e-mail.

A member of the Client Service Team will confirm and validate any

disinvestment instructions above £10,000 sent by fax by telephoning one of the policy's authorised signatories. If you send your instruction by fax, please do not also send a hard copy of your fax instruction by post in addition as this may cause confusion.

### Instructions should be given using the standard forms available

Aberdeen Life has developed standard dealing instruction forms for buying, selling and switching units. These are enclosed with this guide and have been customised to allow for the funds and unit classes available under your policy. We strongly recommend using the standard dealing instruction forms to avoid any confusion. If the standard dealing instruction forms supplied are not used and all relevant information is not supplied, then it may not be possible to process your instruction.

Should you require any additional copies please contact your Client Service Associate.

### Switching

When a switch instruction is received, both the sale and purchase of units will occur on the same day.

Please note that should you wish to execute a switch between the Aberdeen Life UK Property Fund and other investments within your policy, all transactions relating to the switch will be deferred until the next available Special Dealing Day. For details of the Special Dealing Day and the procedures surrounding dealing in the UK Property Fund, please refer to the section titled 'Aberdeen Life UK Property Fund' on page 3.

### Instructions sent by fax

Instructions sent by fax must be received by Aberdeen Life by 10am on the working day you wish to deal ('Dealing Day'). Fax instructions received after this cut-off will normally be dealt at the valuation point following the next cut-off.

### Your instructions should be addressed and sent to:

Aberdeen Life and Pensions Dealing Team

Aberdeen Asset Management Life and Pensions Limited

Facsimile: 020 7463 6531

### Instructions sent by post

Instructions sent by post must be received by 10am on the day you wish to deal ('Dealing Day'). Posted instructions received after this cut-off will normally be dealt at the valuation point following the next cut-off.

Your instructions should be addressed and sent to:

Aberdeen Life and Pensions Dealing Team

Aberdeen Asset Management Life and Pensions Limited

One Bow Churchyard

London

EC4M 9HH

Please do not post or fax instructions to your Client Director or fund manager as this may delay the dealing process. Instructions will only be binding when received by the Aberdeen Life and Pensions Dealing Team.

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## HOW TO SETTLE DEALS

### Cleared funds

Cleared funds must be received by Aberdeen Life within four working days of the dealing day. If you buy units under your policy, you should settle the exact cost of those units by remitting your premium by electronic transfer (BACS or CHAPS) to:

Bank: HSBC London  
Bic Code: MIDLGB22  
Account no: 01234110  
Account name: Aberdeen Asset Management Life and Pensions Limited  
Dealing Account  
Bank sort code: 40-02-50

You must quote as a reference your fund ID followed by your scheme name. If we receive a payment without a reference and cannot identify the scheme name and fund ID after enquiry, we regret that the payment will be returned.

### Cheque payments

Cheque payments will only be accepted if sent with your posted dealing instruction. Cheques must be written in pounds sterling and should be made payable to 'Aberdeen Asset Management Life and Pensions Limited'. Please write your fund ID on the back of the cheque. Please note: you cannot deal by fax if you wish to pay by cheque.

### Surrender proceeds

If you sell units under your policy, the surrender proceeds will be paid to you four working days after the dealing day. Payment will be made to your authorised bank details via CHAPS. Our systems will already hold bank details indicating where surrender proceeds should be transferred to (taken from the Policy Document or subsequent side-letters). To avoid confusion please do not quote bank details on surrender instructions, unless to advise us that the bank details have been changed.

With respect to the Aberdeen Life UK Property Fund you should be aware that UK real property is illiquid, and may result in deferment of the surrender of units in the Fund.

### Netting off purchase and sale monies

You must not net off purchase and sale monies. You should make one payment for any units purchased and Aberdeen Life will make one payment for any units sold on any given dealing day.

## HOW WE REPORT TRANSACTIONS

### Transaction notes

Aberdeen Life sends out transaction notes every time you deal. The transaction notes are sent to you or your pensions administrator by post, normally on the day after the dealing day.

The transaction notes show the dealing date, the number of units purchased or sold and the single unit price used, inclusive of any dilution adjustment. For purchases of units, the transaction notes are called 'premium allocation confirmations' and, for sales, 'unit claim confirmations'.

## EXCEPTIONAL TRANSACTIONS ('IN SPECIE' AND 'REVERSE IN SPECIE')

### 'In specie'

Subject to the size of the deal and to Aberdeen Life's prior written agreement, a premium payment in assets ('in specie') rather than cash may be acceptable. This should be discussed with your Client Director at an early stage, as it will require separate legal documentation.

### 'Reverse in specie'

Subject to the size of the deal and as an alternative to payment of surrender proceeds in cash, you may request a transfer of assets from the relevant fund ('reverse in specie'). This should be discussed with your Client Director at an early stage. If your Client Director agrees to the request, you will need to give us a minimum of five additional working days prior notice.

## VALUATION AND PRICING OF FUNDS

Prices for Aberdeen Life funds are struck (normally daily) at either the 10am valuation point or the 12:00 noon valuation point, depending on which fund is involved.

For the procedures relating to the valuation and pricing of Aberdeen Life UK Property Fund please refer to the section titled 'Aberdeen Life UK Property Fund' on page 3.

Each fund has a 'swinging single price' calculated incorporating a 'dilution adjustment' where this applies - as described below. This removes the need to apply a separate dilution levy on top of the standard unadjusted price.

Each fund has a range of unit classes, each of which carries a different management fee. In order to calculate a net unit class price, the gross 'swinging single price' is adjusted by the appropriate unit class management fee.

The unit class 'A' price is not adjusted because the unit class 'A' does not carry a management fee.

### Dilution adjustment

A dilution adjustment is a mechanism to protect ongoing investors' interests from the costs associated with other clients buying or selling significant proportions of the units in issue in Aberdeen Life funds.

The related costs (eg commission, stamp duty etc) of acquiring or disposing of substantial assets may have an adverse affect on the value of the fund (so diluting the value). In order to prevent this dilution, Aberdeen Life has the power to apply a dilution adjustment to the unadjusted price to arrive at the 'swinging single price' thus protecting ongoing investors' interests. A dilution adjustment will be charged for any fund, at Aberdeen Life's discretion, where there is a net movement of 5% or greater of the units in issue (with the exception of the Property Fund - please see details below) of the value of the fund on any valuation day.

When applied, the dilution adjustment element of the swinging single price will be paid into the relevant fund in order to mitigate the effect of the dilution.

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## ABERDEEN LIFE UK PROPERTY FUND

As previously mentioned, the Aberdeen Life UK Property Fund is a fund that invests predominantly in the RREEF UK Core Property Fund ('CPF') which, in turn, invests indirectly in UK real property.

RREEF has currently suspended sales of units in the CPF for up to 12 months as allowed by the CPF Prospectus in circumstances where RREEF believes it is in the interests of unit holders as a whole. The CPF itself is not suspended and continues to be valued and priced monthly. As a result, Aberdeen Life has suspended sales of, or switches out of, units in its UK Property Fund.

Although the Aberdeen Life UK Property Fund (the 'Fund') is priced monthly, we can accept client dealing instructions at any time in accordance with the procedures set out earlier in this guide. However the processing of all such instructions is dependent on the availability of dealing in the CPF and so, until further notice, Fund dealing will follow the procedures described below.

Buy instructions are processed following the calculation of the next monthly Fund price and sell instructions, under normal circumstances, are processed following the calculation of the Fund price three months later. However as described above all sell instructions are currently suspended and so the three month period has been interrupted. Any balance of a three month period will be applied when the suspension is lifted. Note also that the processing of switch instructions involving the Fund is dependent on the current procedures applicable to selling and buying. Clients wishing to switch in or out of the Fund are advised to contact their Client Director to discuss arrangements.

The price of the Fund units is calculated each month as soon as the new CPF mid-price becomes available. It is based on the new CPF mid price adjusted for an estimate of the income and expenses that have accrued since the last valuation day for the CPF. The Fund is single priced and has a dilution recovery policy which requires a dilution adjustment to be applied to all purchases or sales of units in the Fund. This is incorporated in a swinging single price for the Fund. This protects the interests of existing and continuing investors in the Fund as the underlying buying and selling costs of UK real property, taken together, are approximately 7.0%, as at the date of this guide. Clients would normally suffer a maximum 3.5% when buying or selling units.

The valuation day for the CPF generally falls on or around the 25th day of each month. As a consequence, the Fund will only place one order to deal in the CPF each month on a day (the 'Special Dealing Day') which coincides with the valuation day for the CPF. Aberdeen Life's dealing arrangement with RREEF requires it to submit all CPF deals by 10.00am on the business day preceding the CPF's monthly valuation day. Clients are therefore advised to contact their Client Service Associate or Client Director to confirm the cut-off dates related to the Special Dealing Day for the month they wish to deal.

For clients wishing to buy units in the Fund, actual deal processing and subsequent settlement takes place during the following month. For clients wishing to sell units in the Fund, deal processing and subsequent settlement takes place 3 months later under normal circumstances but, as already intimated, has been temporarily suspended.

The CPF operates a policy of crossing buy and sell orders, on a pro rata basis, with crossed deals being executed at the mid price of the CPF. The dilution adjustment applied to Fund deals that coincide with the Special Dealing Day will reflect the terms offered by the CPF to the Fund.

Aberdeen Life will pass on the benefits of crossing at both the CPF and the Fund level to the policyholder. Therefore, clients may find that crossing enables them to enter or leave the Fund on better terms than would otherwise be the case. Clients dealing instructions will always be implemented on the next possible monthly dealing date bearing in mind the terms offered by RREEF at that date.

'Intra-month dealing' (i.e. dealing other than on the Special Dealing Day) is no longer available.

### CLIENT SERVICE

To find out details of unit prices please visit our web site [www.aberdeen-asset.com](http://www.aberdeen-asset.com)

A direct link to the Life and Pension section is: [www.aberdeen-asset.com/lifeandpensions](http://www.aberdeen-asset.com/lifeandpensions)

If you have any further questions about policy transactions, audit information or valuations please contact your Client Service Associate.

### OTHER IMPORTANT MATTERS

#### Authorisation procedures and authorised signatories

All instructions relating to your policy must be signed by your authorised signatories in accordance with your authorisation procedures.

Aberdeen Life will act on the basis of the authorisation procedures and authorised signatories identified in the policy proposal or in any duly authorised subsequent amendment received in writing by Aberdeen Life.

It is important that you notify us of all the relevant individuals who may act as authorised signatories on behalf of your scheme and provide specimens of their signatures to us.

#### Changes to authorisation procedures and authorised signatories

Please review your authorisation procedures and authorised signatories regularly to ensure they are up to date. You must notify any changes in writing signed by the required number of authorised signatories to:

Aberdeen Asset Management Life and Pensions Limited  
Aberdeen Legal Department  
One Bow Churchyard  
London EC4M 9HH.

Failure to provide us with written details of any changes to your authorisation procedures or authorised signatories may result in Aberdeen Life being unable to act on your instructions.





Note: In this Pension Dealing Guide, references to 'buying' units mean contributing a premium under your policy to obtain an allocation of units; and references to 'selling' units mean surrendering units under your policy.

The information provided in this Pension Dealing Guide relates to the products and services of Aberdeen Asset Management Life and Pensions Limited (Aberdeen Life), One Bow Churchyard, London EC4M 9HH.  
Tel 020 7463 6000.

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