

## Capital Investment Bond

# Product summary

This product was closed to new business and to additional investments to existing policies from 31 December 2012.

| General details                                                                                                                                                                                       |                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum age at entry                                                                                                                                                                                  | 0 (Children under the age of 18 could not self-propose. Policies for children had to be placed under a trust arrangement.)                                                                                                                               |
| Maximum age at entry                                                                                                                                                                                  | The bondholder had to be less than age 75 when the bond started. In the case of a joint life policy both bondholders had to be below age 75.                                                                                                             |
| Minimum initial investment                                                                                                                                                                            | From 1 January 1993 the minimum initial investment increased to £5,000. Prior to this date the minimum initial investment was £1,000.                                                                                                                    |
| Minimum additional investment                                                                                                                                                                         | From 1 January 1993 the minimum additional investment increased to £1,000. Prior to this date the minimum additional investment was £500.<br>No further contributions can be paid.                                                                       |
| Investment options                                                                                                                                                                                    |                                                                                                                                                                                                                                                          |
| Internal funds                                                                                                                                                                                        | 12                                                                                                                                                                                                                                                       |
| External funds                                                                                                                                                                                        | 0                                                                                                                                                                                                                                                        |
| Minimum amount for switching                                                                                                                                                                          | £100                                                                                                                                                                                                                                                     |
| Charges                                                                                                                                                                                               |                                                                                                                                                                                                                                                          |
| Fund management charge                                                                                                                                                                                | 0.75% a year                                                                                                                                                                                                                                             |
| Bid/offer spread                                                                                                                                                                                      | 5%                                                                                                                                                                                                                                                       |
| Charge for switching                                                                                                                                                                                  | First switch in any policy year is free. Further switches are charged at £15 for each switch.                                                                                                                                                            |
| Early withdrawals                                                                                                                                                                                     | A charge of two per cent of the bid value of units cancelled is made for withdrawals within six months of making an investment (excludes regular withdrawals of less than 20% each year). This penalty was introduced for new bonds from 1 January 1993. |
| Tailored commission                                                                                                                                                                                   |                                                                                                                                                                                                                                                          |
| The following tables show the commission types that were available before the bond was closed, along with examples of the allocation adjustments depending on the type and level of commission taken. |                                                                                                                                                                                                                                                          |
| Initial commission                                                                                                                                                                                    | Up to 6% of initial investment (4% if FBRC is included)                                                                                                                                                                                                  |
| Fund based renewal commission (FBRC)                                                                                                                                                                  | 0.5% of fund value                                                                                                                                                                                                                                       |
| Allocation adjustment                                                                                                                                                                                 | 1% initial commission costs 0.8% allocation rate adjustment. 0.5% FBRC costs 1.8% allocation rate adjustment.                                                                                                                                            |

| Initial commission only % | Allocation adjustment % | Initial commission & FBRC % | Allocation adjustment % |
|---------------------------|-------------------------|-----------------------------|-------------------------|
| 0.0                       | +4.2                    | 0.0 & 0.5                   | +2.4                    |
| 1.0                       | +3.4                    | 1.0 & 0.5                   | +1.6                    |
| 2.0                       | +2.6                    | 2.0 & 0.5                   | +0.8                    |
| 3.0                       | +1.8                    | 3.0 & 0.5                   | 0.0                     |
| 4.0                       | +1.0                    | 4.0 & 0.5                   | -0.8                    |
| 4.5                       | +0.6                    |                             |                         |
| 5.25                      | 0.0                     |                             |                         |
| 6.0                       | -0.6                    |                             |                         |

From 1 January 1993 the allocation rate applicable to new and additional investments was determined by the following table. The allocation rates were set by reference to the total premiums paid.

This example assumes initial commission of 5.25% was taken. For other commission rates, please use the relevant allocation adjustments shown above.

| Amount of premiums paid | Allocation rate |
|-------------------------|-----------------|
| £5,000 – £14,999        | 100%            |
| £15,000 – £24,999       | 100.5%          |
| £25,000 – £49,999       | 101%            |
| £50,000 or more         | 101.5%          |

#### Bonus

|                  |                                                                                                                                                                                                                                 |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Details of bonus | A bonus of one percent of the value of the units allocated to the Bond, less one percent of any additional investments made in the previous seven years, will be added after seven years and then every three years after that. |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Regular income

|                              |                                            |
|------------------------------|--------------------------------------------|
| Minimum regular withdrawal   | £50                                        |
| Regular withdrawal frequency | Yearly, half yearly, quarterly or monthly. |
| Minimum irregular withdrawal | £250                                       |

#### Life cover benefit

|                       |                                                                                                                                                                                                    |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Details of life cover | Guaranteed death benefit based on a multiple of the bond's value depending on the age of the bondholder at death. For example, for each £1,000 of the bid value of the units the death benefit is: |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Age         | Benefit (£) |
|-------------|-------------|
| 30 or under | 2,500       |
| 40          | 1,700       |
| 50          | 1,210       |
| 60          | 1,070       |
| 70          | 1,020       |
| 75 and over | 1,010       |

If we asked the bondholder to go for a medical examination when they applied for life cover, and the bondholder chose not to attend this medical examination, the death benefit is restricted to 101% of the value of the units at the date of death.

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