

Key Features
Investment Bond



Putting your investment to work

This is an important document. Please read it alongside your personal illustration and keep it safe for future reference.

In this Key Features document

- | | | |
|---|--------------------------|----------|
| 1 | Aims, Commitments, Risks | page 3-4 |
| 2 | Your questions answered | page 5-9 |
| 3 | Other information | page 10 |
| 4 | Contact details | page 12 |

Key Features Investment Bond

1

The Financial Services Authority is the independent financial services regulator. It requires us, Lincoln Assurance Limited, to give you this important information to help you decide whether our Investment Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Choosing a financial product is an important decision, so you should always seek professional advice from a financial adviser. Before selecting the Investment Bond, you also need to know what the Investment Bond is, how it works, what the risks are, and what it can do for you. That's where this document comes in, providing the information you and your financial adviser need to make an informed choice.

Its aims

Investment Bond aims to:

- provide you with capital growth over the medium to long term
- allow you to take withdrawals if you choose
- allow you to invest in a range of funds to suit your investment needs.

Your commitment

- To invest at least £5,000.
- To consider your Bond as an investment for at least five years.

Risk factors

- The value of the Bond, and any income from it, is not guaranteed and will depend upon investment performance. The investment values can fall or rise. You may therefore get back less than you originally invested.
- Some of Lincoln's funds are more volatile and higher risk than others. For full information on the risks applicable, you should request the Lincoln Fund Factsheets. These can be obtained from our Customer Services team on 0845 605 23 23 or from your financial adviser.
- A penalty may apply if you make a one-off withdrawal or cash-in your investment in the first five years (see 'When can I cash in my Investment Bond?' on page 7).
- When you cash-in your Bond, you may get back less than shown on your illustration. This could happen for several reasons, for example:
 - investment performance is lower than shown
 - our charges are higher than shown
 - you take out more money than shown.
- If you take withdrawals that exceed the growth of your Bond, your investment will reduce in value and could be totally eroded.
- If you place this Bond into Trust you will no longer be the owner and the Trustees will decide who should benefit under the terms in the Trust. You should seek professional advice before placing the Bond into Trust.
- The regular withdrawals that you take from this Bond could affect your entitlement to benefits, such as tax credits, pension credits and social security benefits.
- Depending on your personal financial circumstances, withdrawals from the Investment Bond may be subject to tax, (see 'What about tax?' on page 8).
- You are entitled to cancel your Bond within 30 days of being informed of your right to change your mind. However, any fall in investment value will be deducted from your original investment and the amount you receive back may be less than your original investment.
- Inflation will reduce the real value of your capital in the future.

Your questions answered

2

What is the Investment Bond?

- It is an investment plan that aims to increase the value of the money you invest. Your money will be used to buy units in one or more of our funds.

Who can invest?

- Anyone aged 18 to 80 if regular withdrawals are required.
- Anyone aged 18 to 85 if the Bond is for capital growth only.
- For jointly held plans the maximum age requirement applies to the younger age applicant.

How much can I invest?

- The minimum investment is £5,000 upwards, there is no maximum.
- You can add minimum amounts of £1,000 to your Investment Bond at any time.

What will be allocated to my Bond?

- Lincoln will increase the amount you invest in your Bond as shown in the table below. You should note that these amounts are subject to a 5% initial charge, details are shown in your illustration.

Investment	Allocation %	Example
£5,000 - £9,999.99	102.50%	£5k = £5,125
£10,000 - £24,999.99	103.75%	£10k = £10,375
£25,000 - £49,999.99	105.00%	£25k = £26,250
£50,000 or more	105.75%	£50k = £52,875

Can I take regular withdrawals?

- Yes, you can take regular withdrawals. These can be paid monthly, quarterly, half-yearly, annually, or by school term.
- We will make payments straight to your chosen bank account.

- How frequently you receive payments depends on how much you paid into your Bond. Please refer to the table below for details.

Frequency of payments	£5,000	£7,500	£10,000
Monthly	✗	✗	✓
Quarterly	✗	✓	✓
Termly*	✗	✓	✓
Half yearly	✓	✓	✓
Yearly	✓	✓	✓

*Termly = 31st December, 31st March, 31st August ✓ Available ✗ Not available

- The minimum regular withdrawal is £50 per month.
- You can change the amount whenever you wish.
- You must maintain a minimum of £250 in each of your investment funds.

Can I take one-off withdrawals?

- You can take one-off withdrawals at any time (see 'When can I cash-in my Investment Bond?' on page 7).

What fund choices are available?

- You can choose to invest in up to six of our funds. You can choose these from a fund range of 22 managed by respected managers.
- The funds included in the range have different levels of risk; details can be found in the relevant Fund Factsheet. Full details of the investment funds are available from your financial adviser, on our website www.lincolnuk.co.uk or on request from our Customer Services team.
- The minimum you can invest in each fund is £250.
- Currently, you can switch investment between the funds without incurring administration charges. However, Lincoln reserves the right to impose limitations and charges for second and subsequent switches, in any policy year.

How is my money invested?

- Your investment will be used to buy units in the investment funds chosen. These are notional units into which we divide each investment fund and which we use to work out the value of your plan. Each fund has a unit price which will be calculated using the value of the fund's underlying assets. The value of your Bond is based on the number of units held in each fund multiplied by the relevant unit price. As unit prices fall or rise, so will the value of your investment.

Can I set up my Investment Bond as a joint policy?

- Yes, you can set up your Bond for two people if you wish on a joint life basis.
- If one of you dies, the Investment Bond will continue. Alternatively, the surviving owner could then choose to cash in the plan.



Can I place this Bond into a Trust?

- Yes, you can. We can provide Trust documents on request. However you are strongly recommended to take independent professional advice before placing your Investment Bond into a Trust.

When can I cash-in my Investment Bond?

- You can cash-in some or all of your investment at any time.
- If in the first five years you fully or partly cash-in your Investment Bond or receive regular payments of more than 7.50% a year of the amount you originally invested, the amount received will be subject to an early encashment penalty.
- Early encashment penalties are detailed in the table below:

Early encashment charge

	Period	Penalty deductions
During	First 12 months*	7.50%
	Months* 13 to 24	5.50%
	Months* 25 to 36	4.00%
	Months* 37 to 48	2.50%
	Months* 49 to 60	1.00%
	Months* 60+	0.00%

*From policy commencement date

What will you charge me?

- You can find details of all our charges in your personal illustration.

How much will the financial advice cost?

- Your financial adviser will let you know about the cost of advice, if any.
- You can also find information on this in your illustration.

What happens if I die?

- We will pay 101% of your Investment Bond's remaining cash value to your estate.
- Where the Bond is held jointly the Bond will continue and 101% of the remaining cash value will be paid on the second death. Alternatively, the surviving owner may cash-in the Bond.
- If your Investment Bond is held within a Trust, the Trustees will decide who will benefit, under the terms of the Trust.

What about tax?

- We have provided a brief overview of the tax implications of this Bond.
- Any tax liability incurred by the underlying fund(s) in which you have chosen to invest your Bond will be met by the underlying fund(s). The tax paid within the fund is not recoverable.
- You are able to withdraw 5% of the original investment each year without any immediate tax liability. Any higher rate tax due can be deferred for up to 20 years.
- Any regular or ad hoc withdrawals will not be subject to personal taxation unless you are a higher rate taxpayer. Higher rate taxpayers will become liable for an extra 20% tax on any gain made. Any additional tax liability will be due when encashed on death, surrender or assignment.
- For income tax purposes on jointly owned Bonds, HMRC will normally assume that any income is owned in equal shares (50:50).

- This document is not intended to be a comprehensive guide to the legal and tax implications of using an Investment Bond. All statements are based on Lincoln's understanding of current laws and HMRC practice. The legal and tax consequences of using the Investment Bond will depend on your individual circumstances and requirements and on laws and HMRC practice which may change without advance warning.

Can I change my mind?

- Yes. You can cancel your investment within 30 days from the date you receive a cancellation notice ('your right to change your mind'), and the Terms and Conditions document.
- Refund of the investment on cancellation will be subject to deductions of any fall in the value of the investment when notice of cancellation is received by us.

How will I know how my Investment Bond is performing?

- We will send you a personal statement each year.
- You can check the unit prices of your investment funds at www.lincolnuk.co.uk
- You can call us for an update on 0845 605 23 23 or call your financial adviser.



Other information

4

How to complain

If you ever need to complain about your plan, please contact us using the details shown in 'How to contact us'. If you are not satisfied with our response, you can complain to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel: 0845 080 1800
Email: enquiries@financial-ombudsman.org.uk
www.financial-ombudsman.org.uk

Complaining to the Ombudsman will not affect your legal rights.

Terms and conditions

This document only summarises the features of Investment Bond. Please read it alongside your illustration and the Terms and Conditions found in the policy document, available on request.

We have the right to change some of the Terms and Conditions at any time. We will write to inform you of any changes that affect your plan.

You can find the Terms and Conditions in your plan document.

Law

The Law of England applies to this plan.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we cannot meet our obligations. You should note that there are limits to the protection offered by the scheme. Currently, your life and pension products would be covered under the Scheme for 100% of the first £2,000 and 90% of the remaining claim if we were unable to meet our obligations.

If you are advised by a financial adviser or other authorised intermediary and have a claim against that adviser which they are unable to meet, you may be entitled to compensation. Currently your plan would be covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation would be £48,000.

Further information on compensation arrangements is available from the Financial Services Compensation Scheme (FSCS) at

7th Floor
Lloyds Chambers
Portsoken Street
London E1 8BN

Tel: 020 7892 7300
www.fscs.org.uk

Document availability

Please contact our Customer Services team if you require this document in another format. We can provide it in:

- larger print
- braille
- compact disc (CD).

The Lincoln documents mentioned in this document are available from your financial adviser. Alternatively you may contact our Customer Services team.

Important

Lincoln Assurance Limited does not provide advice on its life assurance and pension products, but aims to give customers helpful information to enable them to make informed decisions. We can also help customers who require advice to find a financial adviser in their local area if required.

To find a financial adviser just call us or visit www.unbiased.co.uk

How to contact us

5

If you have any questions, please talk to your financial adviser first. If you require any information from us or wish to provide instructions regarding your Investment Bond, please contact Lincoln in the following ways:

Customer helpline



0845 605 23 23

Financial adviser helpline



0845 075 35 35

Our lines are open from 8am to 8pm Monday to Friday and 9am to 1pm on Saturdays. We may monitor or record calls to help us improve our service.

Email



customer.services@lincolnuk.co.uk

Or write to us at



Customer Services Team
Lincoln Financial Group
Barnett Way
Barnwood
Gloucester
GL4 3RZ

Website



www.lincolnuk.co.uk



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