

# Introducing the Lincoln Investment Bond

## Investments

The investment which offers opportunities for capital growth and the option of regular withdrawals

## The Lincoln Investment Bond

**The investment that allows you to leave your money to grow or take regular withdrawals to supplement your income.**

The Lincoln Investment Bond offers you significant flexibility. You can use it as somewhere you can leave your money to grow over the long-term, or you can make a regular withdrawal to supplement your income.

Whatever you decide, the Lincoln Investment Bond allows you to match your attitude to investment risk to potential performance in a way that suits you.

### How does the Lincoln Investment Bond work?

The Lincoln Investment Bond can be regarded as a 'wrapper' for the fund or funds you choose to invest in. Each fund is a pool of investors' money looked after by an expert fund manager. By pooling together investors' money, the fund manager can spread risk. If one particular investment suffers poor performance, others could see their value improve. While you can minimise risk through your choice of funds, your returns are not guaranteed and your investment could fall in value. Please see 'About Lincoln's range of funds' for more information.

### How much will you invest?

You can invest anything from £5,000 and top-up your initial investment at any time (minimum amount currently £1,000). You can choose to invest in up to six of our range of 22 funds.

The amount we will invest in your Investment Bond will depend on how much you invest, as shown in the table below:

Investment	Allocation %
£5,000 - £9,999.99	102.50%
£10,000 - £24,999.99	103.75%
£25,000 - £49,999.99	105.00%
£50,000 or more	105.75%

For example, if you invested £10,000, we would invest £10,375 into your Investment Bond, if you invested £25,000, we would invest £26,250 on your behalf etc. You should note that these amounts are then subject to a 5% initial charge. You will find details of this on your personal illustration.

### Incentives to remain in the bond

A one-off loyalty bonus of 1% will be awarded at the end of year ten.

From the start of the sixth year the Annual Management Charge is effectively reduced by 0.3% a year. This is

achieved by adding extra units to your investment every month - please see Key Features for more information.

### About Lincoln's range of funds

The funds available for investment offer the opportunity for capital growth over the medium to long term i.e. five to ten years or more. You should aim to leave your money invested for at least five years to avoid early exit penalties and for at least six to ten years to benefit from the extra bonuses detailed above. Please see the Key Features document for more details.

Our funds also invest in different markets - from UK businesses alone to stocks from all around the world. Whatever your attitude to risk - secure, cautious, aggressive or somewhere in between, you can create a bond to suit your needs.

To help you do this, the funds are grouped together into four different 'risk categories'. For a snap shot of the funds available, we have detailed these in the table opposite. If you are unsure about your choice of fund, or any aspect of suitability of the bond for you, we can help you to find a financial adviser in your area.

It is currently free to switch between funds which means you aren't restricted to your initial choice of funds\*. You can change the funds you invest in as often as you wish, for example you may wish to switch to a more cautious fund, or conversely to a more aggressive fund.

You should note that investment values are not guaranteed and can fall as well as rise. Exchange rates may also cause the value of underlying overseas investments to go down or up. Some Lincoln funds are more volatile and higher risk than others. You could lose some or all of your investment. Please read the fact sheets for the fund(s) you are interested in.

\* The first switch in each policy year will always be free. Subsequent switches are also currently free but we reserve the right to impose a charge in the future.

### You can also take regular withdrawals

Investing in the bond will also give you the opportunity to take regular withdrawals from your investment at intervals that suit you. You can choose to take them monthly, termly (to pay for school fees for example), quarterly, half-yearly or annually - all without having to fully cash in your bond.

You can take withdrawals as a fixed sum of money e.g. £50 per month, which can be changed by you as and when you wish, or as a fixed percentage of the amount of your investment.

Not only that, but you have complete access to some or all of your investment at any time.

You should note that if you take withdrawals that exceed the growth of your bond, your capital will reduce in value. Also, if you cash in your bond up to five years after taking the Lincoln Investment Bond

out, there are penalties. These will also apply if you withdraw more than 7.5% per annum of your original investment in any of the first five years.

Your adviser (if you have one) will be able to provide you with more details and will note your tax situation. Or you can also refer to the Key Features document.

Fund name	Invests in	Fund Manager	Total annual management charge*	
<b>Secure</b>	<b>Money</b>	Money on deposit	Lincoln Investment Management	1.05%
<b>Secure</b>	<b>UK Capital Protected</b>	Bank deposits and FTSE 100	Lincoln Investment Management	1.12%
<b>Cautious</b>	<b>Cautious Managed 2</b>	UK and international equities, bonds and property	Goldman Sachs Asset Management	1.26%
<b>Cautious</b>	<b>Property</b>	Commercial property	Castlemere Property Group	1.59%
<b>Cautious</b>	<b>UK Fixed Interest</b>	UK gilts and corporate bonds	Goldman Sachs Asset Management	1.17%
<b>Cautious</b>	<b>Index Linked Gilt</b>	UK index linked gilts	Goldman Sachs Asset Management	1.17%
<b>Balanced</b>	<b>Balanced Managed 3</b>	UK and international equities, bonds and property	Goldman Sachs Asset Management	1.31%
<b>Balanced</b>	<b>Schroders</b>	UK and international equities, bonds and property	Schroders Investment Management	1.29%
<b>Balanced</b>	<b>Framlington</b>	UK and international equities and bonds	AXA Framlington Investment Management	1.87%
<b>Balanced</b>	<b>Select Managed</b>	Portfolio of collective investment schemes	Investment Manager Selection	2.46%
<b>Balanced</b>	<b>UK Equity Growth</b>	UK equities	Goldman Sachs Asset Management	1.30%
<b>Balanced</b>	<b>UK Equity Income</b>	UK equities and corporate bonds	Mondrian Investment Partners	1.43%
<b>Aggressive</b>	<b>Aggressive Managed 4</b>	UK and international equities	Goldman Sachs Asset Management	1.35%
<b>Aggressive</b>	<b>International</b>	International equities	Goldman Sachs Asset Management	1.42%
<b>Aggressive</b>	<b>Perpetual</b>	International equities	Invesco Perpetual	1.82%
<b>Aggressive</b>	<b>Green</b>	UK and international equities with socially responsible policies	Jupiter Asset Management	1.65%
<b>Aggressive</b>	<b>Emerging Markets</b>	Equities in emerging market economies	Mondrian Investment Partners	1.82%
<b>Aggressive</b>	<b>Far Eastern</b>	Far Eastern equities excluding Japan	Mondrian Investment Partners	1.53%
<b>Aggressive</b>	<b>Japan</b>	Japanese equities	Goldman Sachs Asset Management	1.27%
<b>Aggressive</b>	<b>European</b>	European equities excluding the UK	Goldman Sachs Asset Management	1.30%
<b>Aggressive</b>	<b>North American</b>	North American equities	Delaware Investment Advisers	1.47%
<b>Aggressive</b>	<b>UK Capital Growth</b>	UK equities excluding FTSE 100	Goldman Sachs Asset Management	1.30%

#### Key:

- Secure** Designed to protect against loss to your original investment.
- Cautious** If you cannot tolerate much variation in performance.
- Balanced** If you are looking to achieve a balance between the need to preserve your original investment and your need for growth and/or income. You should be able to tolerate some swings in performance.
- Aggressive** If your financial situation and temperament can tolerate wider fluctuations in performance.

\* The total annual management charge comprises a basic 1% per annum charge for all funds plus an investment management charge which varies depending on the fund. The investment management charge element of the total annual management charge is applied to the net asset value of the fund. The net asset value can differ depending on who the fund manager is for example whether it includes cash or not. Charges applicable as at 28 September 2007.

### What to do next

Read the Key Features carefully and speak to your financial adviser, if you have one, for more details.

If you have any questions, call the Customer Services team on

**0845 605 2323**

8am - 8pm Monday to Friday,  
8am - 1pm Saturdays excluding bank holidays.

If you are a financial adviser simply call our Financial Adviser Servicing team on

**0845 075 3535**

or email us on [ifasupport@lincolnuk.co.uk](mailto:ifasupport@lincolnuk.co.uk) for more details or to obtain a quote.



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