



Capital Investment Bond

Description

Capital Investment Bond, is a unit-linked contract for single, ad hoc or regular contributions. It is designed for building up a lump sum over the medium to long term beginning with a minimum of USD 20,000 in the first three years, without the need to commit to a defined regular contribution. It is written on a capital redemption basis and is available on a single or joint ownership basis.

Eligibility

Applicants must be aged 18 or over at the date of commencement. Applications cannot currently be accepted from residents of the United States of America, U.S. Persons and residents from most European Union Member States.

Currencies

The contract is available in most major currencies. Contract holders may change the currency denomination of the contract at any time, at the exchange rate then prevailing.

Contract term

The contract will mature on expiry of the 99 year term unless fully surrendered prior to the end of the term.

Maturity benefit

At the end of the term the maturity benefit will become payable to the contract holders (or their successors, administrators, executors or nominated beneficiaries) and will be the surrender value of the contract at the maturity date.

Minimum contributions

Single contributions can be made at any time subject to a minimum of USD 2,000. Regular contributions can also be made, subject to a minimum of USD 600 per month or USD 1,800 per quarter.

Contributions equal to the minimum contracted contribution of USD 20,000 must be made within three years of commencement of the contract. If the minimum contracted contribution is not received by the third anniversary of the commencement of the contract, an additional charge, currently GBP 420, will be applied by cancellation of units.

Contract holders can make contributions in most freely convertible currencies, with the minimum contribution level being set at the date the contract is put into force by converting the USD limit to the chosen contract currency.

Unit allocation

100% of the contributions made will be allocated to accumulator units at the applicable bid price.

Unit funds

Units are allocated to your choice of unit funds selected from Hansard International's Series 1 unit fund range. When the contract is taken out, the contract can be linked to a maximum of 20 different unit funds. Thereafter, there is no maximum.

Switching

A switch transaction is the exchanging of units in one or more unit funds for units in one or more other unit funds. Unit fund switching is possible at any time on a 'bid-to-bid' basis.

The first switch transaction in any contract year is carried out free of charge; subsequent switches attract a charge, currently GBP 45 per unit fund switch, subject to a minimum charge, currently GBP 90 per switch transaction. Once USD 20,000 has been contributed to the Capital Investment Bond, you can have up to five free switch transactions a year. For the purpose of calculating this charge, the number of switches per transaction will be the higher of either the number of unit funds switched out of or the number of unit funds switched into.

All switches made using the OnLine Fund Switching system are currently free of charge. Future contributions can be directed to a different set of unit funds at any time without charge.

Withdrawals

Withdrawals may be made on a regular or ad hoc basis to provide an income, subject to normal withdrawal rules and charges, provided contributions totalling at least USD 20,000 have been received.

There is a charge, currently GBP 29 per withdrawal, which is waived, depending on the amount of the total contributions paid and the frequency of income payments, in accordance with the table below.

Total contributions received	Permitted number of withdrawals in a contract year
GBP 10,000 to GBP 24,999	2
GBP 25,000 to GBP 49,999	4
GBP 50,000 and above	12

Surrender and withdrawal

Withdrawals can be made at any time, for the value of units cancelled less the balance of the year's management charge on the amount withdrawn and the discontinuance charge below if appropriate. The value is calculated using the applicable unit bid prices. The minimum withdrawal at any time is USD 200.

On full surrender, the balance of the year's annual management charge, the balance of the year's service charge and any establishment charge due but not yet applied to the contract will be applied in addition to the discontinuance charge if appropriate.

Units relating to contributions which have been allocated for less than seven years are subject to a discontinuance charge on withdrawal or full surrender. This charge is 7% of the value of the units if the related contribution has been allocated for less than 12 months, reducing by 1% for each complete year the related contribution has been allocated. If only one contribution has been paid, all of the units relate to that contribution. If subsequent contributions have been paid, the number of units related to each additional contribution is calculated by applying a factor to the total number of units (after the contribution has been applied to the contract). The factor is equal to A/B , where A is the amount of the contribution in question and B is the total fund value immediately after that contribution has been applied.

This discontinuance charge is waived when units are sold which relate to contributions that have been allocated for between five and seven years, provided that the amount withdrawn does not exceed 10% per year of the sum of those contributions.

If the contract is fully surrendered within three years and the minimum contracted contribution has not been received, the additional charge, currently GBP 420, is applied by cancellation of units.

Where a withdrawal takes place within that period and before the minimum total contribution has been received, if the value of the units remaining allocated to the contract after the withdrawal will be less the additional charge, the contract will be surrendered in full.

Contract charges

Description	Amount
Additional charge (See "Minimum Contributions" section)	GBP 420
Annual management charge - Accumulator units	1% per year (reflected in the quoted unit price)
Service charge	GBP 27.25 per month
Establishment charge based on each contribution	0.6% per quarter for four quarters
Switching charge per unit fund	GBP 45 (subject to a minimum charge of GBP 90 per switch transaction) Currently free online
Withdrawal charge	GBP 29 per withdrawal
Additional unit allocation statement	GBP 32 per statement

Monetary charges are expressed in GBP and may be increased each year, normally in July, to reflect inflation, in accordance with the Contract Terms and Conditions.

Unit funds and/or the contract itself may be denominated in different currencies and currency conversions may be required when charges are deducted from the contract.

Unit funds employ the services of external managers, who apply further charges. These charges are reflected in the quoted unit price and may vary at any time without notice.

Withdrawal and surrender payments from the contract will incur a bank transfer charge. The amount of this charge varies depending on the currency of payment and location of the recipient's bank account. The contract holder's own bank may also apply a transaction charge. For further information please contact us.

Unit allocation statements

Unit allocation statements will be sent to contract holders unless they have indicated otherwise or will be available from their independent financial advisor at the end of each contract year. Additional statements are available on request for a charge of GBP 32 per statement. The contract's progress can be monitored on a more frequent basis by applying for an OnLine Account via our secure internet facility that enables the contract holder to view key information at no additional charge.

Important notes

This contract is valued on the basis of the performance of the unit funds that are chosen by the contract holder. It is based on the unit price, movements of which may give rise to losses, especially in the short term. It should also be noted that the effect of fluctuations in currency exchange rates may be positive or negative. Furthermore, it cannot be guaranteed that all unit fund sales and purchases can be effected immediately on receipt of instruction.

We are not liable for:

1. any country's current or future tax or other legislation which may affect the contract including any benefit that may be payable under it. Applicants should seek independent advice on the applicable legislation in their country of residence;
2. any supplementary information concerning this product profile provided by any third party; and
3. the suitability of the applicant's choice of product, since we do not provide investment advice.

The product is available only through independent financial advisors who are the agents for the contract holders, and on the understanding that the independent financial advisor represents the contract holder in all relevant matters.

The relevant product terms set out all the details of the contract between the contract holder and us.

If a contract holder becomes resident in the United States of America, we may not be able to accept any further contributions or any instruction to vary the unit fund choice until after the contract holder subsequently ceases to be resident in the United States of America.

In exceptional circumstances or due to circumstances beyond our control, we may have to defer payment of benefits and/or withdrawal/switch requests including deferring pricing of a unit in a unit fund, or value the unit fund at nil.

This contract is covered by the terms of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991.

It is our policy to respond to and resolve all complaints made by contract holders promptly. Complaints that are not resolved can be referred by the contract holder to the Isle of Man Financial Services Ombudsman.

Hansard International Limited

Harbour Court, Lord Street, Box 192, Douglas, Isle of Man IM99 1QL, British Isles

Telephone: +44 1624 688000 Fax: +44 1624 688008 Website: hansard.com

Registered Number 032648C.

Regulated by the Isle of Man Insurance and Pensions Authority