



IMPORTANT DOCUMENT
PLEASE READ

CAPITAL INVESTMENT BOND

Key Features Document for
v8 plans issued from 1 January 2013

WESLEYAN
we are all about you



KEY FEATURES OF THE CAPITAL INVESTMENT BOND

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

The Wesleyan Capital Investment Bond is a type of investment plan which also provides a small amount of life cover.

HELPING YOU DECIDE

This document gives the main points about the bond. It doesn't explain all the definitions or include all the terms and conditions. This information is in the Plan Document which we send to you when we accept your application. If you'd like a copy, please contact our Head Office using the details in the 'How to contact us' section on page 6 or visit our website at www.wesleyan.co.uk/savings-and-investments/plans/capital-investment-bond.

Your Specialist Financial Adviser from Wesleyan Financial Services (WFS) will give you a personal illustration which shows how much you might get back. We mention your illustration and our fund fact sheets in this document, so it would be useful for you to read them all together.

ITS AIMS

- ▶ To let you invest your money for as long as you want to, with the aim of increasing the value of your investment.
- ▶ To let you take money out either as a one-off withdrawal or as a regular income.
- ▶ To pay a cash sum if a person covered by the plan dies.

YOUR INVESTMENT

- ▶ You need to pay in at least £7,500 when you first take out your plan.
- ▶ You can add £1,000 or more to your plan at any time.
- ▶ You can invest your money for as long as you want to. However, this is a medium- to long-term investment so you should try to keep your money in the plan for five years or more.

RISKS

- ▶ **The value of your plan can go down as well as up and you may get back less than you invested.**
- ▶ When you cash in your account, you may get back less than is shown in the illustration you will receive because:
 - ▶ investment growth is lower than we assumed when producing the illustration
 - ▶ costs are higher than we assumed when producing the illustration, or
 - ▶ you have taken money out.
- ▶ The charges may increase.
- ▶ The tax rules which apply to your plan could change.
- ▶ If you cancel your plan in the cancellation period (this is 30 days from when you receive the Plan documentation), you may get back less than you invested if the value of investments have fallen by the time we receive your Cancellation Notice. This is a form that we will send you with your Plan documentation. For more details, please see 'Can I change my mind?' on page 6.

QUESTIONS AND ANSWERS

Who can take out a Capital Investment Bond?

- ▶ You can take out a Capital Investment Bond if you are aged 18 or over and are a UK resident for tax purposes.
- ▶ You can set up the plan so you own it on your own or jointly with someone else.
- ▶ You can arrange for your plan to be held under trust. Trusts can provide a way of making sure your plan is dealt with in line with your wishes if you die, and can help to reduce the amount of tax which needs to be paid in certain circumstances. If your plan is held under a trust, the ownership of your plan will transfer to certain people who you choose (these people are called 'trustees'). You will normally be one of the trustees. The trustees have to deal with your plan in a certain way and use it for the benefit of certain people who you name (these people are called 'beneficiaries').

Is our Capital Investment Bond right for you?

- ▶ It may be right for you if you want to invest a lump sum for the medium to long term. This is with the aim of achieving growth on your investment, **although this is not guaranteed and the value of your investment can go down as well as up.**

It may not be right for you if you:

- ▶ are not confident about making your own investment decisions, even after having received professional financial advice
- ▶ do not want to accept the risk of fluctuations in the value of your investment, or
- ▶ cannot invest the money for five years or more.

Who can be covered by the plan?

- ▶ You can choose to cover the life of one or two people. You don't have to be one of the people covered.
- ▶ If you are only covering the life of one person, they must be aged 79 or under when the plan starts.
- ▶ If you are covering the lives of two people and you want the plan to pay out when one person dies, both of the people covered need to be 79 or under when the plan starts.
- ▶ If you are covering the lives of two people and you want the plan to pay out when both people have died, one of the people covered needs to be 79 or under when the plan starts.

How much money can I invest?

- ▶ You need to pay in at least £7,500 when you start your plan.
- ▶ If you want add more money to your plan, you need to pay in at least £1,000.
- ▶ The most you can invest in total in each bond, including any extra money you add, is £500,000.

Where is my money invested?

You can invest in up to 12 funds at any time. Your money buys 'units' in the funds you choose.

Your Specialist Financial Adviser will:

- ▶ talk to you about how much risk you want to take with your money
- ▶ explain what you might get back when you invest and also the risks of each of the different funds
- ▶ help you choose the fund or funds which meet your investment needs, and
- ▶ give you fund fact sheets which explain what each fund aims to do and its risk profile.

How do you work out the value of my plan?

We work out the value of your plan using the number and price of the units you have in each fund. If you invest in the Life With-Profits Fund, we may include a final bonus in your plan value, but this is not guaranteed.

Can I switch my money between funds?

Yes, you can move your money into one or more different funds at any time.

If you switch out of the Life With-Profits Fund, we may apply a Market Value Reduction (MVR). This is an adjustment which reduces how much you get back at certain times (for example, when share prices are generally low). There is more information in our booklet 'How our With-Profits Fund Works (for policies where premiums are used to buy units)' which your Specialist Financial Adviser will give you, or you can get a copy from our website at www.wesleyan.co.uk/savings-and-investments/with-profits-fund.

You can make up to 12 fund switches in any 12-month period. The first switch in any calendar year is free. A charge applies to subsequent switches (see What are the charges? on page 4).

Can I take some money out?

- ▶ You can take money out of your plan as regular income or one-off withdrawals by cashing in units in your plan.
- ▶ If you decide to take a regular income:
 - ▶ You decide whether you want to take money every month, every three months, every six months or every year.
 - ▶ The minimum regular income amount you can take is £50. The most you can take out each year is 7.5% of the total amount you have paid in (this is the amount you have paid in before any Initial Advice Charge (IAC) that applied was taken). Please see the Initial Advice Charge (IAC) section on page 5 for more information.
 - ▶ We pay the income in arrears. For example, if you choose to take an income every three months, your first payment will be paid three months after you asked us to start paying an income.
- ▶ You can take out £500 or more as a one-off withdrawal at any time.
- ▶ If you take a regular income or a one-off withdrawal, the value of what's left in your plan must always be £500 or more if you wish to keep your plan open.
- ▶ If you withdraw all or some of your funds we may apply an MVR if you are invested in the Life With-Profits Fund. If you are taking a regular income, we will not do so if you opened your plan before 1 July 2018.
- ▶ When you take money out of your plan, we will split it in the same way that your investments are split. For example, if half your money is invested in the Wesleyan Low Risk/Reward Fund and half is in the Wesleyan Higher Risk/Reward Fund, we will take half the money you are withdrawing from the Wesleyan Low Risk/Reward Fund and half from the Wesleyan Higher Risk/Reward Fund.
- ▶ Your plan will be divided into 100 equal parts. You can cash in one or more of these parts or cash in an equal amount of each part. This may help you pay less tax when taking money out of your plan. You may wish to speak to your Specialist Financial Adviser about this.

How much will I get when I cash in my plan?

- ▶ How much your plan is worth when you decide to cash it in depends on a number of things including:
 - ▶ how much you've invested
 - ▶ how much you've already taken out
 - ▶ how long your money has been invested for
 - ▶ how well your investments have performed, and
 - ▶ the level of the charges.
- ▶ If you have invested in the Life With-Profits Fund, we may add a final bonus or apply a Market Value Reduction (MVR). There is more information in our booklet 'How our

With-Profits Fund Works (for policies where premiums are used to buy units)' which your Specialist Financial Adviser will give you, or you can get a copy from our website at www.wesleyan.co.uk/savings-and-investments/with-profits-fund.

- ▶ Your personal illustration shows how much you might get back if you took your money out at different times. We can't guarantee that you would receive as much as we've shown.

What are the charges?

We (Wesleyan Assurance Society) collect charges from your Capital Investment Bond to cover our costs in managing your plan and investments.

If you have received advice from your Specialist Financial Adviser about your investment or you are opted into their Ongoing Advice Service (OAS), we will take the charges from your plan and pay them to WFS.

Your personal illustration shows how the charges, and any other costs such as implicit transaction charges, may affect your investment.

If you switch your money between funds, the first switch in any policy year is free. A charge (currently £25) applies to each subsequent switch in a calendar year.

We may change our charges at any time but we'll only do this when it is reasonable and we'll tell you about any changes as soon as we can. There is more information about when we can change our charges in the Plan Document.

There may be costs related to transactions in connection with this plan, such as taxes, that are not paid to us or set by us.

Annual Management Charge (AMC)

The AMC is a percentage of how much your plan is worth each year and covers the cost of Wesleyan Assurance Society managing your investment and running your plan. The AMC varies by fund up to 1.2% (excluding the cost of ongoing advice), and is stated on the fund factsheets.

You can ask your Specialist Financial Adviser for a fund factsheet or view it online (www.wesleyan.co.uk/fund-prices). The factsheets appropriate for this product are in the 'Life' group.

We don't take the whole AMC at once – we take part of it when the fund(s) you are invested in are valued daily and the rest is deducted as units from your plan every month over the year.

Ongoing Charge Figure (OCF)

Some Wesleyan funds invest in the funds of third-party fund managers. For these, an ongoing charge is applied by these managers to cover their cost of managing the fund. This OCF is taken when the fund is valued daily before we set the unit price.

These charges are disclosed on fund factsheets. The OCF is included as part of the 'Total Cost' figure. The performance shown in the fund factsheets includes the charges taken before

we set the unit price. The remaining AMC and the cost of the OAS are not included in performance figures as they are deducted as units. Therefore, the performance shown will be lower than illustrated.

The combined charges are also collectively labelled 'AMC' on your personal illustration.

Initial Advice Charge (IAC)

The IAC you will pay is currently up to 3% of payments you make into your account. We take this charge from each payment you make and invest the rest of your money in the fund or funds you have chosen. This charge covers the cost of the initial advice you have received from your Specialist Financial Adviser.

Details of the amount WFS will receive can be found in your personal illustration and is a third-party payment.

If you undertake a transaction yourself, such as making a top-up payment without taking advice, then the IAC will not be payable with respect to that transaction. Prior to 4 March 2021, an initial charge did apply to such payments.

Ongoing Advice Service (OAS)

If you opt into the OAS, we take an additional annual charge of 0.5%, which we take monthly as an increase in AMC by cashing in units, and pay it to WFS.

What happens to my plan if the person covered dies?

- ▶ We'll pay out a lump sum of 101% of your plan's value.
- ▶ If you set up the plan to cover two people, we'll pay the lump sum either when the first person dies or when both people have died – depending on what you chose when you took the plan out.
- ▶ If you arrange your plan under trust, we will pay the lump sum to the trustees.

- ▶ If you are invested in the Life With-Profits Fund, we may add a final bonus. If you opened your plan on or after 4 March 2021, we may also apply an MVR, which would reduce the plan value. If you opened your plan before 4 March 2021, we will not apply an MVR in the event of death.
- ▶ Your plan ends when we have paid the life cover.

What about tax?

The following information is a summary based on how we understand the current tax rules. They may change in the future and your actual tax treatment depends on your personal circumstances. You may want to seek specialist tax advice.

Tax we pay

- ▶ We pay tax on the fund your money is invested in.

Tax you pay

- ▶ You won't normally have to pay capital gains tax on the money you make from your plan.
- ▶ For tax purposes, the regular income you take from your plan is treated as cashing in part of the amount you have paid into the plan. Any part of the plan charges that cover the cost of advice that WFS provide are also treated as withdrawals from your plan for tax purposes.
- ▶ If you cash in all or part of your plan or it pays out because someone covered by the plan dies, you may only have to pay some income tax if:
 - ▶ you are a higher- or additional-rate taxpayer, or
 - ▶ you become a higher- or additional-rate taxpayer because of the money you receive from your investment.
- ▶ You can use any personal savings allowance to which you may be entitled, to reduce the tax you pay on any money you make from the plan.

Summary of our current charges

| | |
|--|---|
| Initial Advice Charge (IAC) | We take up to 3% of each payment you make where this has resulted from advice you have received from a WFS Specialist Financial Adviser. |
| Annual Management Charge (AMC) | <p>The AMC is a percentage of how much your plan is worth each year. The charge varies by fund, and is stated on fund factsheets. Of this, we take some over the year before we set the unit price. We take the rest by cashing in units monthly. For most of our customers, such as those invested in the Life With-Profits Fund, the AMC is 1.2%.</p> <p>Some Wesleyan funds invest in the funds of third-party fund managers. For these, the charges applied by these managers are taken before we set the unit price. These charges, if they apply, are also disclosed on fund factsheets.</p> <p>If you opt in to the OAS, we take an additional annual charge of 0.5%. We will take this monthly by cashing in units.</p> |
| Charges for switching between funds | £25 (no charge for the first switch in each calendar year). |

- ▶ Under current rules, you can withdraw up to 5% of the amount you have paid into your plan each year, without paying tax at that time. This 5% includes any part of the service charges that cover the cost of advice WFS provide.
- ▶ If you don't use the 5% tax allowance in any one year, you can carry it forward to use in future years, up to a total maximum allowance of 100% of the amount you paid in.
- ▶ When you cash in your plan (or parts of your plan), we will include any money you took out of the plan using this facility and any part of the product charges which cover the cost of advice that WFS provide when we work out your overall profit. You may have to pay income tax at that time.
- ▶ You might lose your entitlement to your personal income tax allowance (either the standard or the higher age-related allowance) and certain tax credits because of the money you've made from this plan.
- ▶ If the plan is arranged under trust, how much income tax will need to be paid depends on the trust.
- ▶ The person who inherits the value of the plan if you (or someone else covered by the plan) die may have to pay inheritance tax.

How can I find out how my plan is doing?

You can:

- ▶ check the yearly statement we send you
- ▶ call our Customer Operations Team on 0800 294 1508 for an up-to-date valuation, or
- ▶ keep up to date with your investments through MyWesleyan. Log into your account at mywesleyan.co.uk/login or download the My Wesleyan app where you can correspond with us securely via 'Messages'. If you haven't yet registered for the service, log into this same area and access the 'Register now' link which can be found under 'I would like to register today'.

Can I change my mind?

Yes, you can change your mind within 30 days of receiving your Plan documentation. Simply fill in the Cancellation Notice we send you and return it to us.

If you cancel your plan within 30 days, you may get back less than you invested if the value of your investments has fallen by the time we receive your Cancellation Notice.

HOW TO CONTACT US

If you have any questions, please call us on 0800 294 1508.

Our lines are open from 9am to 5pm, Monday to Friday. Calls may be recorded to help us provide, monitor and improve our services to you.

Write to us at our Head Office:

Wesleyan Assurance Society
Colmore Circus
Birmingham B4 6AR

Visit our website at www.wesleyan.co.uk

You should send instructions to us in writing to the address above. However, we may accept instructions other than in writing from time to time. We can only communicate with you in English. We can contact you by phone or other ways to get instructions about your account.

HOW TO COMPLAIN

We do everything we can to make sure we always give you the best possible service. If you are unhappy with any part of the service we have given you, and wish to complain you can contact us in the following ways.

- ▶ Speak to our Customer Operations Team on 0800 092 1990. Our lines are open from 9am to 5pm, Monday to Friday.
- ▶ Complete the online contact form which can be found by visiting our website www.wesleyan.co.uk/contact/complaints
- ▶ Email the Complaints Team at complaints@wesleyan.co.uk. However, please avoid sending personal information by email as it is not a secure method of communication.
- ▶ In writing to the address below:

Complaints Team
Customer Operations - Birmingham
Wesleyan Assurance Society
Colmore Circus
Birmingham B4 6AR

If, after receiving our response, you're still not happy, you can refer your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR

Phone: 0800 023 4567 or 0300 123 9123.

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Complaining to the Ombudsman won't affect your legal rights.

OTHER INFORMATION

Law

The law of England applies to the plan.

Compensation

If we cannot meet our financial obligations to you, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) under the Financial Services and Markets Act 2000.

You can get details of the scheme from the FSCS at:

FSCS

PO Box 300

Mitcheldean

GL17 1DY

Phone: 0800 678 1100

Phone: 020 7741 4100

Email: enquiries@fscs.org.uk

Website: www.fscs.org.uk

Conflicts of interest

You can find a copy of our Conflicts of Interest policy on our website at: <https://www.wesleyan.co.uk/about/corporate-governance> or you can ask us for a copy.

Payments to Wesleyan Assurance Society from other Wesleyan Group companies

Each year, Wesleyan Group subsidiary companies pay Wesleyan Assurance Society in order to cover the cost of certain services which the Society provides. Payments will be made on an ongoing basis, for as long as the services are used.

| Service Provided | Payments from Wesleyan Financial Services | Payments from Wesleyan Unit Trust Managers |
|--|---|--|
| Group central services (e.g. web development and company strategy) | £12,660,144 | £117,368 |
| Senior staff costs | £2,298,117 | £183,668 |
| Regulatory compliance | £437,402 | £17,456 |
| Advisory panel costs | £34,673 | £2,771 |

The payments listed above are only those relevant to your choice of product and are an indication of the costs this year, based on the costs incurred in 2023. The precise amount will change each year depending on how much the services are eventually used and the cost Wesleyan Assurance Society incurs when actually providing them. All payments are made from the paying company's own resources and will not change the costs quoted to you in your product literature.

We are all about you.

Since we were founded over 180 years ago, we have cherished our mutual status. It's an integral part of who we are and with no shareholders, our focus is on members and customers. We work to benefit those who invest in our business. Not only today, but also in the future.

It's why 'we are all about you'.

A guide to the many ways in which the Wesleyan Group of companies can help you to plan, prioritise and secure your financial future.

For you



Savings & Investments



Mortgages



Retirement Planning



Insurance



Life & Income Protection

For your business



Finance & Funding



Premises Insurance



Equipment Insurance



Personal Protection

For more information about the Wesleyan Group of companies, visit wesleyan.co.uk/ourcompanies

If you would like this document in Braille, large print or audio format, please contact **0800 975 3710**.

Follow us for regular updates on social media



[@wesleyan](https://twitter.com/wesleyan)



facebook.com/wesleyanAS



linkedin.com/company/wesleyan



Investment team
of the year – Re/insurer

'WESLEYAN' is a trading name of the Wesleyan Group of companies.

Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Advice is provided by Wesleyan Financial Services who is authorised and regulated by the Financial Conduct Authority and is wholly owned by Wesleyan Assurance Society. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0345 351 2352. Calls may be recorded to help us provide, monitor and improve our services to you.

Wesleyan Unit Trust Managers Ltd.

Administration Centre: PO Box 9033, Chelmsford CM99 2WQ Telephone: 0330 123 3813

Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0121 200 3003. Website: www.wesleyan.co.uk

Wesleyan Unit Trust Managers Ltd (Registered in England and Wales No. 2114859) is authorised and regulated by the Financial Conduct Authority. Wesleyan Unit Trust Managers Ltd is wholly owned by Wesleyan Assurance Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Wesleyan Unit Trust Managers Ltd is also a member of The Investment Association. Calls may be recorded to help us provide, monitor and improve our services to you. Copies of the Scheme Prospectus, Key Investor Information Documents (KIIDs) and the most recent Annual Report and Half-Yearly Report on authorised funds are available free of charge from the Administration Centre.