

IMPORTANT DOCUMENT – PLEASE READ

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# WESLEYAN CAPITAL INVESTMENT BOND

FOR 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.

Your Wesleyan Financial Services Consultant 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 to read them altogether.

## 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 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.
- ▶ The amount of money you get back will depend on how your investments perform. There are no guarantees.
- ▶ 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.

The Cancellation Notice is sent to you with your plan documentation.

## 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. If you do this, the ownership of your plan will transfer to certain people who you choose (these people are called the 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 the beneficiaries). 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.

### 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, unless you first receive professional investment advice, if you are unable to accept the risk of fluctuations in the value of your investment, or if you cannot invest the money for 5 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 age 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.
- ▶ You can add £1,000 or more to your plan.
- ▶ The most you can invest in each bond is £500,000. This includes any extra money you add.

### 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 Wesleyan Financial Services Consultant 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.

### 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. 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 leaflet 'How our With Profits Fund Works (for policies where premiums are used to buy units)' which your Wesleyan Financial Consultant will give you, or you can get a copy from our website.

You can make up to 12 fund switches in any 12-month period.

We may also charge you for switching your money between different funds (see 'What are the charges?' on page 5).

### Can I take some money out?

- ▶ You can take money out of your plan.
- ▶ You can take a regular income by cashing in some of the units in your plan.
  - You decide whether you want to take money every month, every three months, every six months or every year. To pay the income, we cash in units from your plan. 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 we take our Initial Charge). Please see 'What are the charges?' on page 5 - for what we mean by 'Initial Charge'.
- ▶ 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 withdraw all or some of your funds we may apply a market value reduction if you are invested in the Life With Profits Fund.
- ▶ 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.

### 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.
- ▶ 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) collect charges from the product (your Capital Investment Bond) to cover our costs in managing your plan and investments. If you have received advice from Wesleyan Financial Services (WFS) 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 plan.

We may also charge you for switching your money between different funds.

We may increase our charges in the future, any increase to the level of charges will be reasonable and proportionate. If this happens, we will write and tell you.

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

#### Initial Charge

The Initial Charge you will pay is currently up to 3% of the money you invest in the plan. We will confirm the amount of the Initial Charge on your personal illustration. We take this charge from your payments and invest the rest of your money in the fund or funds you have chosen.

#### Initial Adviser Charge

The amount you pay for the Initial Charge currently covers the cost of any initial advice you have received from your WFS consultant.

Details of the amount WFS will receive (which is currently the full amount of the Initial Charge) can be found in your personal illustration and is a third party payment.

#### Annual Management Charge (AMC)

The AMC is a percentage of how much your account is worth each year and covers the cost of managing your investment and running your account. We don't

take the whole AMC at once – we split it up and take it over the year.

The amount of the AMC depends on the fund or funds that you invest in. The table below shows the lowest AMC we will apply.

For some funds we charge an extra AMC which we work out when we set the unit price for that fund. Our fund fact sheets have more information about the extra charges which are not shown in the table above. The fund fact sheets are on our website ([www.wesleyan.co.uk](http://www.wesleyan.co.uk)) or you can ask your Wesleyan Financial Consultant for copies.

The amount of AMC we will charge you is shown on your personal illustration.

### Paying for ongoing advice

If you opt into the OAS, we take an additional annual charge of 0.5%. We will take this monthly by cashing in units and pay it to WFS for their services.

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.

### 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 invested in the Life With Profits Fund, we may add a final bonus. We won't apply a market value reduction if we pay out because someone covered by the plan dies.
- ▶ 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.

#### 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 Wesleyan Financial Services (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.

### Summary of our current charges

<b>Initial Charge</b>	We take up to 3% of your payments.
<b>Annual Charges</b>	The Annual Management Charge is 1.2% each year, of how much your account is worth. Of this we split 1% up and take it over the year before we set the unit price. We take the rest (0.2%) by cashing in units monthly. For some funds, we apply an extra AMC which we work out when we set the unit price for that fund. If you opt into the OAS there is an additional annual charge of 0.5%, making a total of 1.7% each year. We take the additional charge by cashing in units monthly.
<b>Taking a regular income</b>	If you are taking a regular income, we will increase the AMC by 0.3%. (We will take this by cashing in units monthly.)
<b>Charges for switching between funds</b>	£25 (No charge for the first switch in each calendar year.)



- ▶ 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.
- ▶ 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 will I know how my plan is doing?

You can:

- ▶ check the yearly statement we send you
- ▶ call our Customer Relationship Centre on 0345 351 2352 for an up-to-date valuation, or
- ▶ visit our website ([www.wesleyan.co.uk](http://www.wesleyan.co.uk)). You need to register your details with us to see the value of your plan online.

### 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.

## Other information

### 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 Relationship Centre on 0800 092 1990. Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays.
- ▶ Complete the online contact form which can be found by visiting our website [www.wesleyan.co.uk](http://www.wesleyan.co.uk)
- ▶ Email the Complaints Team at [complaints@wesleyan.co.uk](mailto:complaints@wesleyan.co.uk)
- ▶ In writing to the address below:
  - Complaints Team
  - Risk and Regulatory
  - Wesleyan Assurance Society
  - Colmore Circus
  - Birmingham B4 6AR

You can also fax your letter to us on 0121 200 9210.

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  
London E14 9SR

Phone: 0800 023 4567 or 0300 123 9123.

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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

## 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](mailto:enquiries@fscs.org.uk)

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

## Conflicts of interest

You can find a copy of our Conflicts of Interest policy on our website at: [www.wesleyan.co.uk/pdf/wesleyan-conflicts-of-interest-and-anti-bribery-policy](http://www.wesleyan.co.uk/pdf/wesleyan-conflicts-of-interest-and-anti-bribery-policy) or you can ask us for a copy.

## How to contact us

If you have any questions, please call us on 0345 351 2352.

- ▶ Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays. We may monitor our calls to improve our service.
- ▶ Fax us on 0121 200 2971.
- ▶ Write to us at our Head Office:  
Wesleyan  
Colmore Circus  
Birmingham B4 6AR
- ▶ Visit our website at [www.wesleyan.co.uk](http://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.

## 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):	£2,337,000	£125,000
Senior Staff Costs:	£718,000	£5,000
Regulatory Compliance:	£321,000	£0
System Development:	£1,499,000	£0
Advisory Panel Costs	£45,000	£0

The payments listed above are only those relevant to your choice of product and are an indication of the expected costs in 2018, based on the costs incurred during 2017. 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.

The Wesleyan Group of companies provides advice and solutions on a wide range of products and services to meet both the personal and business needs of our customers.

### For you



Savings



Investments



Retirement  
Planning



Life & Income  
Protection



Mortgages



Insurance



Personal  
Loans

### For your business



Finance &  
Funding



Equipment  
Insurance



Premises  
Insurance



Personal  
Protection



Staff  
Protection

For more information about the Wesleyan Group of companies, visit [wesleyan.co.uk/legal-disclaimer](http://wesleyan.co.uk/legal-disclaimer)

If you would like this document in Braille, large print or audio format, please contact **0345 351 2352**.

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Advice is provided by Wesleyan Financial Services Ltd.

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