

WESLEYAN CAPITAL INVESTMENT BOND

Plan Document
For policies issued from 1 July 2018

WESLEYAN
we are all about you



YOUR CAPITAL INVESTMENT BOND

This Plan Document has all of the standard terms and conditions of the plan (starting on page 4). The schedule shows what you have paid, the death benefit and any special conditions which apply to you.

The terms and conditions, the schedule (including any special conditions) and any endorsements we may add later to your plan, describe the contract we have with you.

If there is any inconsistency between the special conditions and any other part of the Plan Document, the special conditions will apply.

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

Taking out this plan may also make you a member of Wesleyan Assurance Society. There are certain conditions you need to meet for membership. As part of this membership, we shall contact you from time to time about the various benefits you may be entitled to receive.

For more information, please go to the 'members' section of our website (www.wesleyan.co.uk/about-us/members) or you can ask us to send this information to you.

If you pay what is shown in the schedule, we will pay the benefits described in the Plan Document. Any payment we make will be in line with the plan conditions and any endorsements.

CONTENTS

Plan definitions	4
1. Your investment	4
2. Taking an income	5
3. Paying more money into your plan	6
4. Cashing in your plan	6
5. Cashing in part of your plan	6
6. Paying out when someone dies	6
7. Changes in the law or taxation	7
8. Your right to cancel the plan	7
9. The law applicable to this plan	7
10. Transferring ownership of your plan	7
11. Membership	7

PLAN DEFINITIONS

In this document we use financial words and phrases that not everyone will be familiar with. We've explained what these mean below:

- ▶ **allocation rate** – the percentage of your payment that is used to buy units. The allocation rate may be different for different payments. We will tell you the allocation rate that applies to each payment you make.
- ▶ **assignment** – when you transfer your rights and benefits of this plan to someone else.
- ▶ **endorsement** – a document which shows any changes to the terms of this plan. We will agree these changes with you.
- ▶ **final bonus** – for investments in the Life With Profits Fund an amount we might add when you cash in all or some of the units. We may also add a final bonus if the plan pays out because someone has died.
- ▶ **market value reduction** – an adjustment we make which reduces how much you get back if you cash in any part of your investment in the Life With Profits Fund at certain times (for example, when share prices are generally low). How much we reduce the value by depends on the value of our with profits fund at the time and how long you've invested in the fund.
- ▶ **minimum income amount** – this is the minimum amount of money your regular income payments need to be.
- ▶ **Ongoing Advice Service** – an optional advice service, provided by Wesleyan Financial Services. There is more information about this service in the Services and Costs Disclosure Document that you have been provided with.
- ▶ **plan's cash value** – the total value of the units in your plan. We work this out by multiplying the number of units you have by the unit price which applies the next working day after we receive your written instructions and supporting documents. If you have invested in the with profits fund we may add a final bonus or apply a market value reduction.
- ▶ **schedule** – the document which shows specific details about this plan.
- ▶ **segments** – your plan is split into 100 equal parts called segments. Splitting your plan up this way makes it easier for you to cash part of it in and leave the rest invested. Each of these segments represents an individual life assurance policy within the plan. This Plan Document applies to each of these policies.
- ▶ **switch charge** – the charge we make if you switch your units into a different fund or funds. We don't charge you the first time you switch in any calendar year, but we will charge you £25 every time you switch after that.

We will only increase this charge in the future if our administration and expenses costs go up. Any changes in the level of the charge would be reasonable and proportionate.

- ▶ **unit linked fund(s)** – an investment fund which is divided into units. Your money and money from other investors is used to buy units in the fund. The number of units you have is your share of the fund.
- ▶ **we or us** – the Wesleyan Assurance Society.
- ▶ **working day(s)** – the days we are open for business. So Monday to Friday except bank holidays in England.
- ▶ **you or your** – the person who owns the plan.

1. YOUR INVESTMENT

When you make a payment to us we take out our initial charge and use the rest of your money to buy units in the investment fund or funds which are shown on the schedule.

We work out the number of units which will be allocated to your plan in the following way:

- ▶ We multiply the amount of your payment by the allocation rate shown in the schedule to give the amount of money which is used to buy units (called the investment content).
- ▶ We divide the investment content by the unit price which applies on the next working day after we receive your payment to give the number of units which will be allocated to your plan.

Your plan is split initially into 100 equal parts (called segments). We will allocate:

- ▶ your payments evenly across all the segments, and
- ▶ any extra money you pay into the plan evenly across all the segments you have at the time.

Our investment funds

There are a range of funds you can invest in. For more information, please read our fund fact sheets which are on our website (<https://www.wesleyan.co.uk/fund-prices>) or you can ask us to send you copies. We may add to, remove or change the range of funds that you can invest in at any time.

Valuing the funds

- ▶ We value our unit linked funds at least once a month.
- ▶ We value our Life With Profits Fund at least once a year.

We calculate the value of our funds as follows:

- ▶ We work out the value of our shareholdings using the latest share prices on an appropriate stock exchange.
- ▶ We ask independent valuers to work out the current value of freehold and leasehold property. We adjust this value to take account of any changes since the last independent valuation.

- ▶ We value any cash held by the funds at face value.
- ▶ We value any other assets appropriately.
- ▶ We take out the costs of:
 - ▶ buying, selling and maintaining our assets
 - ▶ valuing our assets, and
 - ▶ any expenses, any tax we have to pay and any other costs linked to the valuation. (Which must be reasonable).

We take an Annual Management Charge (AMC) for managing your plan and investments. If you are opted into the Ongoing Advice Service (OAS), the AMC includes the cost of this service. This is a percentage of how much your plan is worth. We take part of this charge from the fund before we set the unit price and part by cancelling units in your plan.

We will only increase the AMC if:

- ▶ the administration and expenses costs linked to this plan go up (the expenses must be reasonable in amount and reasonably incurred)
- ▶ you are opted into the OAS and the cost of this service increases, or
- ▶ there are tax or regulatory changes affecting life assurance companies which adversely affects the plan.

Any changes would be reasonable and proportionate and we will tell you about any changes as soon as we can, although we may change the charge without giving you advance notice.

Units in the funds

Units are created when payments are made into the funds.

We only cancel units when we are paying out benefits or taking out our charges.

The unit linked funds (excluding the Life With Profits Fund)

- ▶ The unit price at any time is the price of the last valuation.
- ▶ We calculate the unit price by dividing the current value of each fund by the total number of units in that fund.

The Life With Profits Fund

- ▶ The latest unit price is calculated by looking at whether any profits were added at the fund's last valuation.
- ▶ The unit price will never go down. However, if you cash in units, we may reduce how much the units are worth by applying a market value reduction (MVR).

Switching which fund or funds your money is in

You can cash in units in one or more of the investment funds to buy units in a different fund or funds. If you are switching out of a fund and do not cash in all units, a minimum value of £25 must be maintained in the fund. You must write and tell us that you want to switch.

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

We work out the value of the units you are cashing in, using the unit price which applies the next working day after we receive your written instructions. From this value we may:

- ▶ reduce the value of your units by applying a MVR
- ▶ add a final bonus, and
- ▶ take out the switch charge.

We will use the rest of the money to buy units in the fund or funds you have chosen.

2. TAKING AN INCOME

You can take a regular income from your plan. The maximum regular income you can take is 7.5% of your investment (including any extra money you pay into the plan) each year. The year runs from the anniversary of your plan's start date. You can take an income every month, every three months, every six months or every year. If you want to change the amount or stop taking an income you need to write to us.

Your regular income payments have to be for at least the minimum income amount of £50 each month (£150 every three months, £300 every six months and £600 each year).

We may change the maximum amount you can take as a regular income from your plan or the minimum regular payment amount you can take. We will give you reasonable notice if we change either of these conditions.

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.

We cash in units in your plan to pay the income. When your plan is invested in more than one fund we cash in the units in proportion to the value of the units you hold in each fund.

We cash in units using the unit price which applies on the working day we cash them in.

3. PAYING MORE MONEY INTO YOUR PLAN

You can pay more money into your plan at any time, as long as the amount is at least our minimum amount at that time.

This money can be invested in any of the funds we have available at the time.

Any extra money you put into your plan can be invested in a different fund or funds from your original investment.

We calculate the number of units to be allocated in the following way.

- ▶ We divide the amount of your additional payment by the allocation rate to give the amount of money available to buy units (called the investment content of your additional payment). We will confirm the allocation rate that applies to your additional payment at the time it is made.
- ▶ We divide the investment content of your additional payment by the unit price which applies the next working day after we receive your payment.

If you choose to take a regular income from any additional money you pay in, it must be taken at the same frequency as any regular income taken from your initial investment.

4. CASHING IN YOUR PLAN

You can cash in all the units in your plan at any time.

This will end your plan. You must write and tell us that you want to do this. You will need to send us the schedule, any endorsements and proof of ownership.

If you cash in the whole of your plan, you will receive the plan's cash value.

5. CASHING IN PART OF YOUR PLAN

You must write and tell us if you want to cash in any part of your plan. You cannot take out less than the minimum part cash-in amount of £500. You must leave the minimum amount of £500 in your plan if you want it to carry on. We may change these minimum amounts at any time. However, any changes would be reasonable and proportionate.

You can cash in part of your plan in the following ways:

- ▶ You can cash in one or more of the segments in your plan. In this case, we'll work out the value of those segments by multiplying the number of units in them by the unit price which applies the next working day after we receive your written instructions and supporting documents.

- ▶ You can cash in an equal amount of each of the segments in your plan to give you the amount of money you want to take out. In this case, we'll work out the number of units which you need to cash in and the number remaining, using the unit price which applies the next working day after we receive your written instructions and supporting documents.

If any part of your plan is invested in our Life With Profits Fund, we may increase the value by adding a final bonus or reduce the value by applying a MVR.

6. PAYING OUT WHEN SOMEONE DIES

We will pay a lump sum (called death benefit) if the person whose life is covered by the plan dies. If it's a joint plan we'll pay out either when the first person dies or when both people have died as shown in the schedule.

Before we can pay death benefit, we need proof of death. Normally this will be the original death certificate. We will also need the schedule. We may ask for other documents to establish who is legally entitled to the death benefit.

We calculate the death benefit as follows:

- ▶ We work out the value of the units in your plan using the unit price which applies the next working day after we accept proof of death.
- ▶ If any part of your plan is invested in the Life With Profits Fund, we may add a final bonus, which will increase the value.
- ▶ We multiply the total amount by 101%.

We only calculate death benefit on the current units. We won't count any units which have already been cashed in (see section 5).

We won't apply a MVR when paying the death benefit.

We pay the death benefit to the person or people legally entitled to it.

7. CHANGES IN THE LAW OR TAXATION

This contract (as set out in these terms and conditions, the schedule and any endorsements) is based on how we understand current English law.

We may change the terms and conditions of this plan or adjust the benefits if there are changes in:

- ▶ the law
- ▶ other regulation, or
- ▶ the taxation system which directly or indirectly affect this plan.

Otherwise, we will only change the terms and conditions if we can't carry on with the plan as it is because:

- ▶ it's no longer possible or practical, or
- ▶ it means that some of our plan holders are not being treated fairly in our opinion.

We will tell you about these changes as soon as we can. We will make sure that any changes we make are reasonable and proportionate.

8. YOUR RIGHT TO CANCEL THE PLAN

You have the right to change your mind within 30 days following receipt of your plan documentation. For further details please refer to the Key Features Document which you have been provided with.

9. THE LAW APPLICABLE TO THIS PLAN

The plan is governed by the law of England.

10. TRANSFERRING OWNERSHIP OF YOUR PLAN

If you transfer the legal ownership of this plan to someone else (using an assignment) you need to write to us and let us know.

11. MEMBERSHIP

If this plan entitles you to become a member of Wesleyan Assurance Society, as part of that membership, we shall contact you from time to time about the various benefits you may be entitled to receive. You can read more about our membership by visiting the 'members' section of our website www.wesleyan.co.uk/about-us/members or you can ask us to send this information to you.

We are all about you.

Since we were founded over 175 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



Personal Protection



Equipment Insurance



Premises Insurance

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

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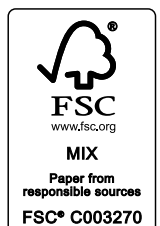
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