



STERLING

Investment Bond at a glance

(for High Allocation, Standard and No Exit Penalty versions)

The Sterling Investment Bond is a medium to long-term investment – your client should be looking to invest for at least five to ten years. The Bond is available in four different structures for greater choice and flexibility. Each maintains the core features of wide fund choice, death benefit options, flexible withdrawal options and access to a range of trusts for IHT planning. Each structure has varying charges to suit customer investment needs. For details of the Flexible version, please refer to the ‘Investment Bond – Flexible version at a glance’.

Charging structures:	High Allocation	Standard	No Exit Penalty
Allocation rates			
£100,000+	107.75%	105.25%	102%
£50,000 – £99,999	107%	104.25%	102%
£25,000 – £49,999	106.75%	103.75%	102%
£5,000 – £24,999	105.25%	102.25%	101%
Note – If removing the standard death benefit, these allocation rates will increase by 0.5% The High Allocation structure is not available with our Discounted Gift Trusts or Loan Trust.			
Allocation rate age reduction (based on youngest life insured)	–1% for lives insured aged 70 attained to 74 attained –2% for lives insured aged 75 attained to 79 attained		
Maximum allocation rate	115.7%	113.8%	105.27%
Initial charge	5%	5%	5%
Yearly management charge	1%	1%	1%
Note – Additional fund management charges and fund expenses apply – these are detailed in the Fund charges and expenses sheet.			
Monthly charge	0.5% a year for five years	None	None
Loyalty bonus	None	None	1% of plan value after five years and 1.5% after ten years
Exit penalties	Year 1 – 9% Year 2 – 8% Year 3 – 6% Year 4 – 4% Year 5 – 2%	Year 1 – 7.5% Year 2 – 6% Year 3 – 4.5% Year 4 – 3% Year 5 – 1.5%	None
Note – If removing the standard death benefit, the exit penalties will increase by 0.5% in year one reducing to 0.1% in year five.			

The product terms and core features that apply to all three charging structures are:

Age range availability	Three months attained to 79 years attained. For Discounted Gift Trusts, all settlors/donors must be aged 85 attained or less
Minimum initial investment	£5,000 (£1,000 for additional investments) £10,000 for Distribution Fund £50,000 for discounted gift trusts (not available for High Allocation)
Maximum regular withdrawals (penalty free)	Up to 7.5% of the plan’s value each year (minimum £50 per payment) can be taken proportionately across all funds, or from specified fund(s) as a monetary amount
Number of funds/fund managers	over 190 from more than 30 fund managers
Maximum number of funds that can be held	20 at any one time and a total of 50 during the lifetime of the Bond
Phased investment	Monies will initially be invested in a money market fund. They will then be switched into the chosen funds in equal monthly amounts over the six months period following initial investment
Switching	Unlimited and free, but we may charge for excessive switching and the fund manager may make an initial charge on the new fund

Death Benefit options:

Standard death benefit (default)

This protects the original investment for the first ten years and is the greater of: 100.1% of the value of the plan or the total amount invested, less all withdrawals. If death occurs in the first ten years as a result of an accident (exclusions apply), we'll pay out the greater of 110% of the value of the plan or the standard death benefit.

After ten years, the amount payable on death, would be 100.1% of the value of the plan.

Removal of standard death benefit (optional)

If your client doesn't want the standard death benefit, they can choose to remove it to receive an extra 0.5% unit allocation. The amount payable on death would then be 100.1% of the value of the plan. If death occurs in the first ten years as a result of an accident (exclusions apply), we'll pay out 110% of the value of the plan.

Please note that, once the standard death benefit is removed, it isn't possible to add it, or the enhanced death benefit, at a later date.

Enhanced death benefit (optional)

If selected, this increases the amount payable on death by locking-in up to 5% growth in the value of the plan, over the previous locked-in amount, every six months. This option is available at outset or on the tenth anniversary subject to simple underwriting, providing your client has the standard death benefit and is available with all funds, at a cost of 0.55% each year. At least one of the lives insured must be aged 65, or under.

If death occurs in the first ten years as a result of an accident (exclusions apply), we'll pay out the greater of the enhanced death benefit or 110% of the value of the plan.



Winner of the 2005, 2006, 2007 and 2008 Investment Life & Pensions Moneyfacts Award



Winner of the Financial Adviser 5-Star Service Award for seven consecutive years



Best Investment Bond Provider

Important information

Please refer to the Terms and Conditions and Key Feature document for more detailed information. The Sterling Investment Bond is a medium to long-term investment – your client should be looking to invest for at least five to 10 years. What your client gets back when they cash-in the investment bond isn't guaranteed. It will depend on investment performance and they may not get back the amount they invested.

For more information on the Sterling Investment Bond please contact your Zurich Intermediary Group consultant on 0500 546 546.

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