



STERLING

Investment Bond at a glance

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

The award-winning Sterling Investment Bond is available in four different structures to offer greater choice and flexibility. Each structure has varying charges to suit customer investment needs but maintains the same core features of wide fund choice, death benefit options, flexible withdrawal options and access to a range of trusts for IHT planning.

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 (aged 69 attained or less)			
£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. 3% for lives insured aged 80 attained and over (for additional investments to existing plans).		
Maximum allocation rate	115.7%	113.8%	105.27%
Initial charge (taken as a bid-to-offer spread on the funds unit prices)	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 (series 1) 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.
Early cash-in charges	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 early cash-in charges 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 with High Allocation version)
Maximum regular withdrawals	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. Early cash-in charges do not apply to regular withdrawals.
One-off withdrawals	After a one-off withdrawal your client must leave at least £1,000 invested if they want to continue with their investment bond. If they make any one-off withdrawal within five years of making a payment, we may apply an early cash-in charge.
Fund range	Access to a wide range of funds from more than 30 fund managers. The Sterling panel range aims to offer choice across a variety of investment asset classes, sectors and geographical regions.
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	Fund switches are currently free. However, should the switch cause a disproportionate cost to policyholders, we reserve the right to charge the full costs and expenses of making the switch or refuse the request.

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 Investment Life & Pensions Moneyfacts Award Best Investment Bond Provider for six consecutive years 2005 – 2010



Winner of the Financial Adviser 5-Star Service Award for nine consecutive years 2002 – 2010



Winner 2007 – 2010



Winner 2008 & 2010

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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