

Key features of the  
**Investment Bond**

Please read this Key Features document with your illustration and keep them with your plan documents in a safe place.

## Its aims

- To increase the value of the money you invest
- To let you take money out of the bond if you choose
- To pay a cash sum when you die.

## Your commitment

- To invest a single payment of at least £5,000
- To consider your bond as a medium to long-term investment for five years or longer
- Your bond won't end on any fixed date.

## Risk factors

- What you get back when you cash in the bond isn't guaranteed. It will depend on investment performance
- You may get back less than the amount shown on the illustration if:
  - investment growth is lower than illustrated
  - charges increase above those illustrated
  - you take more money out of your bond than illustrated
- You can invest your bond in a range of funds which have different levels of risk. The life fund specification brochure describes the funds in detail
- If you cash in or make a one-off withdrawal from your bond in the first five years, we'll apply an early cash-in charge. This will reduce the amount you get back
- If you cancel the plan before it starts or during the 30-day cancellation period, you may get back less than you paid in. You will get back your original payment(s), less any withdrawals, less any fall in the investment's value if the value has fallen.
- If you invest in the Property Fund, the value of the property is determined by an independent valuer and is a matter of opinion rather than of fact. In exceptional circumstances there may be a delay of up to twelve months in cashing in all or part of an investment if property is not readily saleable.

# Questions and answers

## What is a Zurich Investment Bond?

It's an investment plan that aims to increase the value of the money you invest. It also gives you some life insurance cover.

You can take out a bond for yourself or jointly for yourself and someone else.

You can use the bond to offset inheritance tax. Your adviser can tell you how to do this.

You can set up your bond in trust for other people; for example your children or grandchildren. Ask your adviser about our standard trusts.

The bond may be suitable for trustees of existing trusts.

You can choose from a range of funds to match your investment objectives.

## How flexible is it?

You can make extra payments to your bond at any time. The current minimum amount you must pay is £1,000 but we may change this in the future.

You can cash in your bond at any time.

You can take money out of your bond at any time or set up regular withdrawals. You can change the amount or frequency of your regular withdrawals or stop them, at any time.

You can choose from a range of funds to match your investment objectives.

## What might I get back?

What you get back depends on the value of your bond when you decide to cash it in. There is no guaranteed amount.

The value of your bond depends on:

- how much you invest
- how long your money is invested
- how well the investment funds you choose perform
- how much money you take out
- our charges
- the amount of any loyalty bonus we choose to pay you if you keep your bond for at least ten years. The Summary section in your illustration shows how much this could be.

Your illustration shows how much you might get back.

## Can I take money out?

Yes, you can take money out regularly or make one-off withdrawals at any time. We'll pay these directly into your bank or building society account or send you a cheque. But be aware that taking money out of your bond will affect what you get back in the future. Taking regular withdrawals which are more than the growth of the bond will reduce its value.

You can set up regular cash withdrawals to be paid monthly, quarterly, four-monthly, half-yearly or yearly. We'll pay these directly into your bank or building society account. If the bond is held by trustees, we'll make payments into the trustee's bank or building society account.

# Questions and answers

(continued)

You can choose from the following:

- a fixed cash amount
- a fixed cash amount that will increase automatically in line with the National Average Earnings Index, the Retail Prices Index or a fixed percentage
- a fixed percentage of the fund value.

The maximum regular withdrawal each year is 10% of the value of the bond at the time you take a withdrawal.

## Where is my payment invested?

We invest your payment in the funds you choose. We may take a charge from it before we invest it. Your illustration will show if this applies.

You can choose to invest in one or more of the funds available managed by our primary investment manager Threadneedle Investments. We currently offer 12 unit-linked funds.

- Each of our funds is made up of 'units' which are like shares in the fund.
- We use your payment to buy units in the funds.
- The price of one unit in each fund depends on the value of the investments the fund manager buys.
- We work out the value of your plan based on the total number of units you own in each fund. If the unit prices rise or fall, so will your plan value.

The life fund specification brochure has information on the unit-linked funds, their aims and risk ratings.

You can change your investment funds at any time. We'll only charge you if you change them more than 12 times in any 12-month period.

If you are uncomfortable with investing all your payment in the stock market on the same day, you can choose the phased investment option. This option allows you to invest your money on six different days over a period of five months, as follows.

We'll initially allocate only one-sixth of your payment to the fund you choose. We'll put the rest in the Secure Fund. We'll then make the following transfers:

- one month later, we'll transfer one-fifth of the units in the Secure Fund to your fund
- two months later we'll transfer one-quarter of the remaining units
- three months later we'll transfer one-third of the remaining units
- four months later we'll transfer half of the remaining units
- five months later we'll transfer the remaining units in the Secure Fund to your fund.

You can cancel the phased investment option at any time.

## What happens to the bond if I die?

We'll pay out the higher of what the bond is worth on the date of your death plus an extra 1% or the total amount invested less any withdrawals.

If the bond is in joint names, we'll pay the lump sum when the second person dies.

If the bond is in trust, we'll pay the lump sum to the trustees.

## What are the charges?

We charge you for managing your bond and the investment funds. We take charges from the value of the funds.

We may also take a charge from your payment. Your illustration shows details of the charges and how they may affect the value of your investment over time.

On a day when you cash in all or part of your plan, more money may be moving out of the fund (or any of the funds it invests in) than into it. In this case some of the assets of the fund (or funds) will have to be sold and we may reduce the value of your plan to reflect the costs and charges associated with selling those assets.

### **What about tax?**

Zurich pays tax on the income and capital gains on the investments within the funds. The unit prices reflect the tax liability and you can't get it back.

You won't have to pay starting or basic-rate income tax or capital gains tax on your investment. If you are a higher-rate taxpayer, you'll pay tax when you cash in your bond on any profit you make.

You won't have an immediate liability to pay income tax on your withdrawals if the total amount you take out in any year is 5% of the amount invested or less. You can carry this 5% allowance forward to future years if you don't use it and still have no immediate liability to income tax. You can take these withdrawals until you have taken out an amount equal to the amount invested. Once you have taken out more than you have invested, or exceed your 5% allowances, you'll have to pay tax if you're a higher-rate taxpayer.

If you are age 65 or over, taking any money from your bond could affect any age allowance or children's tax credit you're entitled to.

On death, there may be a liability to UK inheritance tax, depending on the value of your estate.

If the bond is held by trustees, different taxation rules may apply.

We have based this information on our understanding of current UK law and Inland Revenue practice. Future changes in law and tax or in your own circumstances could affect how much tax you pay.

### **Can I change my mind?**

You can change your mind before you get your investment bond documents by contacting us using the details in the 'How to contact us' section. You can also change your mind within 30 days from when you get your investment bond documents. Other documents we send you with your investment bond documents will explain how to cancel and when the 30-day period starts and ends.

So if you decide that you don't want your investment bond we'll give you your money back, less any withdrawals, or, if the fund value has fallen, you'll get back your original payment, less any withdrawals, less any fall in the investment value.

### **How will I know how my bond is doing?**

We'll send you a statement each year to show the current value of your bond.

We publish prices for all the unit-linked funds on our website [www.zurich.co.uk/life](http://www.zurich.co.uk/life).

You can also ask your adviser for an up-to-date valuation at any time or call customer services on 0870 5143624.

# Other information

We treat all our customers as retail clients. As a retail client you have certain rights regarding complaints and compensation.

## How to complain

If you ever need to complain, contact us at the address on the previous page. You can get details of our complaints handling process on request. If you're not satisfied with our response, you can complain to:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

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

## Compensation

Your adviser will recommend products that are suitable for your needs. You have a legal right to compensation if, at any time, an authority decides that a recommendation was unsuitable when it was made.

If we're unable to meet our financial obligations in full you may be entitled to help from the Financial Services Compensation Scheme (FSCS). The amount of compensation you'll receive will be based on the Scheme rules. If you need more information you can contact the FSCS helpline on 020 7892 7300 or visit their website at [www.fscs.org.uk](http://www.fscs.org.uk).

If you'd like more information about compensation, please contact us and ask for our Compliance Officer.

## Terms and conditions

This Key Features document gives a summary of the Zurich Investment Bond. It doesn't include all the definitions, exclusions, terms and conditions.

If you'd like a copy of the full terms and conditions, please ask your adviser or contact us direct. We have the right to change some of the terms and conditions. We'll write to tell you if we make any changes.

## Law

The law and courts of England and Wales will be used to decide any dispute.

# How to contact us

If you want to make additional payments, one-off withdrawals, switch funds or cash in your bond or have any other questions at any time, you can phone us or write to us.



Call us on 08705 143624 between Monday to Friday 8am to 6pm

We may record or monitor calls to improve our service.



**Office address:**

Zurich Assurance Ltd  
The Grange  
Bishops Cleeve  
Cheltenham  
Gloucestershire  
GL52 8XX

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**All our literature is available in large print, Braille and on audio tape or CD.**

If you are a textphone user, we can answer any questions you have through a Typetalk Operator. Call us on 18001 08705 143624. Or, if you'd prefer, we can introduce your adviser to a sign-language interpreter.

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Clarity Quality  
Service

Zurich has been accredited by the independent Pensions Protection Investments Accreditation Board as having met demanding standards of clarity, quality and customer service.