



STERLING

Key features of the Investment Bond



Helping you decide

This **important document** gives you a summary of the Sterling Investment Bond. Please read this with your illustration **before** you decide to invest, and keep it for future reference.

The Financial Conduct Authority is a financial services regulator. It requires us, Zurich Assurance Ltd., to give you this important information to help you to decide whether our Sterling Investment Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

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Other documents you should consider reading

This document gives you key information about the investment bond. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

Sterling Investment Bond fund charges and expenses sheet

Gives you details of the yearly fund charges and expenses.

Sterling investment funds guide

Gives you details of the Sterling funds, including their objectives and risks.

Fund factsheets

There is a fund factsheet for most funds available to you. It tells you what the fund is designed to do.

Sterling Investment Bond terms and conditions

Gives you the full terms and conditions that apply to the Sterling Investment Bond.

Sterling tax guide

Gives you details of the tax implications of investment products.

Sterling Investment Bond death benefits guide

Gives you details of the different death benefit options available.

They are all available from your adviser or direct from us. Our contact details are on page 11.

The Sterling Investment Bond

The Sterling Investment Bond, provided by Zurich Assurance Ltd., enables you to invest in a range of funds with the potential for growth while providing an element of life cover. Your adviser will help you decide if the Sterling Investment Bond is right for you.

Its aims

What this investment bond is designed to do

- Increase the value of the money you invest.
- Allow you to withdraw your money if you choose.
- Allow you to choose from a wide range of funds to match your investment objectives and attitude to investment risk.
- Pay a cash sum when the last life insured dies.

Your commitment

What we ask you to do

- Seek financial advice. If you don't, your decisions may not be appropriate.

You should seek financial advice:

- before making any decision to invest
- regularly while your money is invested
- when your financial circumstances change.

- Look to invest for at least five to ten years.

Risk factors

What you need to be aware of

- The value of your investment bond can go down and you may get back less than you invested.
- The level of risk and potential investment performance differs depending on the funds you choose.

Information about risks associated with funds available through the Investment Bond are detailed in the [Sterling investment funds guide](#) and fund factsheets.

Questions and answers

About your Investment Bond

Is the Sterling Investment Bond right for me?

It may be right if you:

- are looking for potentially higher investment returns than a typical bank or building society account
- understand and accept the risks of these types of investments
- can invest for at least five to ten years
- are looking at inheritance tax planning.

Who can invest?

For you to take out an investment bond, one life insured must be aged 79 or less at the start of your investment bond (this applies to the younger life insured for joint life bonds).

You can take out an investment bond in your own name, jointly for you and someone else, or as a trustee for someone else.

How can I invest?

You can make investments in writing by choosing one of the following options.

By single payments

You must make a first payment of at least £5,000 unless:

- you want to invest in the Distribution 2 fund, where the minimum initial payment is £10,000, or
- your investment bond will be held subject to the Discretionary Discounted Gift Trust or the Discounted Gift (Bare) Trust, where the minimum initial payment is £50,000.

You can make additional single payments to your investment bond. The current minimum amount you must pay is £1,000. We may change this in the future. If your investment bond is held subject to a Discretionary Discounted Gift Trust or a Discounted Gift (Bare) Trust, then extra payments cannot be made.

The phased investment option

The phased investment option allows you to put your payments in a 'deposit and treasury' fund and use a proportion of it each month to buy your chosen fund(s) over six months.

Please read the [Sterling Investment Bond terms and conditions](#) for further details on phased investment and the [Investment funds guide](#) for more information on the 'deposit and treasury' fund.

What are the charges?

Your illustration gives details of the charges and how they affect the value of your investment over time, based on assumed growth rates.

Our charges

This is a yearly charge that we deduct monthly. The amount we deduct is based on the value of your Investment Bond.

Fund charges

Each fund has its own yearly charge. We take the appropriate proportion of the charge from the funds each time we value them.

Adviser remuneration charges

You will agree with your adviser their charges for the service they provide to you.

How will I know how my investment bond is doing?

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

You can check our website www.sterling-assurance.co.uk to see how your funds are performing.

You can also ask your adviser for an up-to-date value or call Customer Services at Sterling on 0370 909 6010.

What about tax?

Currently we pay tax on income and gains and we allow for this in the price of the units. Under current UK legislation you won't have to pay basic-rate income tax or capital gains tax on your investment, although you can't reclaim any of the tax we have paid. However, you may have to pay higher-rate or additional rate income tax depending on your circumstances.

You can withdraw up to 5% each year of your total payments for up to 20 years without any immediate tax liability. Any adviser remuneration that is paid is included within this 5% tax deferred allowance. The allowance will roll over to the next year if it's not used.

You need to consider any tax liability you may incur if:

- you withdraw more than 5% a year from your investment bond, including any adviser remuneration that is paid,
- you close your investment bond,
- you fully surrender one or more whole policies that make up your investment bond,
- you die,
- or you transfer ownership of your investment bond to someone else.

We have based this information on our understanding of current UK law and HM Revenue & Customs practice. Future changes in law and tax practice or in individual circumstances could affect the amount of tax you pay.

You should speak to your adviser to find out how tax may affect your investment.

Please read the [Sterling tax guide](#) for further details.

Managing your Investment Bond

How and where will my payments be invested?

We invest your payments in the funds you choose by buying units in these funds. Each fund is divided into units of equal value. Units are used to calculate how much your investment bond is worth. The value of the units will fall and rise depending on the fund's investment performance. So will your investment bond value.

Each fund invests in one or more asset type. These include money market instruments, equities, bonds, gilt and fixed interest securities, derivatives and property. Each asset type brings different risks.

We offer a range of funds to choose from which are managed by a number of different fund managers.

Please read the [Sterling investment funds guide](#) for further details, including fund risks and objectives.

Can I move money between funds?

Yes, you can move your money between funds. We call this 'switching'. To switch funds we need your written and signed instructions.

We don't currently make a charge for switching funds. If in future we decide to charge, we'll tell you. However, switching may result in higher fund charges, depending on the funds you are switching between. If you are switching, you should contact your adviser for the latest fund charges.

If you are switching to or from the Distribution 2 fund, you must switch the full investment.

Please read the [Sterling Investment Bond terms and conditions](#) for further details.

Can I take money out?

Yes, you can take money out regularly or make one-off withdrawals by writing to us at the address in the '**How to contact us**' section on page 11.

If the withdrawals you take are more than any investment growth produced, this will reduce the value of your investment bond.

Regular withdrawals

You can choose to take withdrawals monthly, quarterly, four-monthly, half-yearly or yearly.

You can choose to take withdrawals as:

- a fixed percentage of the fund value across all funds
- a fixed amount from specific funds or across all funds. You can also choose for this to increase automatically each year:
 - by a fixed percentage
 - in line with the Average Weekly Earnings measure
 - in line with the Retail Prices Index.

You can change the amount or frequency of your regular withdrawals or stop them.

One-off withdrawals

If you want to continue with your investment bond, you must leave at least £1,000 invested. This minimum may change in the future.

Please read the [Sterling Investment Bond terms and conditions](#) for further details of these options.

Can I close my investment bond?

Yes, you can close your investment bond by writing to us at the address in the **'How to contact us'** section on page 11.

What might I get back?

Your illustration shows how much you might get back based on assumed growth rates.

What you get back depends on the value of your investment bond when you decide to cash it in. The amount is not guaranteed.

The value of your investment bond depends on:

- how much you invest
- how long your money is invested
- how well the funds you choose perform
- how much money you take out
- charges.

To show you what you might get back, we have to assume a rate at which the value of your investment could grow.

The growth rates we assume in our illustrations depend on the funds you choose and the amount you invest in them. For example, if you invest in fixed interest funds we'll assume lower growth rates than if you invest in equity funds.

We make long-term assumptions about all the types of asset that make up your chosen funds. You can see these on our website at www.sterling-assurance.co.uk/asset, or you can contact us for these. Our contact details are on page 11.

What happens to the investment bond if I die?

We'll pay out a lump sum if the life insured dies. If the investment bond has more than one life insured, we'll pay the lump sum if the last life insured dies. If the investment bond is held by trustees, different taxation rules may apply.

You have a choice of three death benefit options at the start of your investment bond:

Standard death benefit

The standard death benefit applies, unless you choose to remove it or choose the enhanced death benefit.

If you die within ten years of your first payment, we'll pay out the higher of:

- 100.1% of your investment bond's value
- your total payments less any withdrawals, including any adviser remuneration that has been paid.

For joint life investment bonds, this payment will be made if the last of the lives insured dies.

If your death is within ten years of your first payment and is due to an accident, we'll pay out the higher of:

- 110% of your investment bond's value
- your total payments less any withdrawals, including any adviser remuneration that has been paid.

If you die ten years or more after making your first payment, we'll pay out 100.1% of your investment bond's value.

Removing standard death benefit

If you don't want the standard death benefit, you can choose to remove it. If you do, we'll pay out either:

- 100.1% of your investment bond's value if you die
- 110% of your investment bond's value if your death is within ten years of your first payment and is due to an accident.

For joint life investment bonds, this payment will be made if the last of the lives insured dies.

You will not be able to choose the enhanced death benefit or the standard death benefit on or after ten years from your first payment if you have removed the standard death benefit.

Enhanced death benefit

If you choose the enhanced death benefit, we'll pay out the higher of:

- 100.1% of your investment bond's value
- the enhanced death benefit value.

If your death is within ten years of your first payment and is due to an accident, we'll pay out the higher of:

- 110% of your investment bond's value
- the enhanced death benefit value.

For joint life investment bonds, this payment will be made if the last of the lives insured dies.

The enhanced death benefit value is equal to your first payment when you take out your investment bond, but can increase.

We review your investment bond every six months. If the value of the bond at review is greater than the current enhanced death benefit value, we'll increase the enhanced death benefit value to this higher amount. This process is repeated in six months' time.

A new enhanced death benefit value cannot be more than 105% of the previous enhanced death benefit value.

Please read the [Sterling Investment Bond death benefit guide](#) or the [terms and conditions](#) for further details.

Can I change my mind and cancel?

Yes, you can. When we issue your investment bond documents we'll send you details of how to cancel your investment bond. You will have 30 days from receiving these documents to do this.

If you decide to cancel, we'll give you your money back less any fall in value and less any adviser remuneration we've already deducted, in which case you will not get back the full amount you paid in.

If you cancel your investment bond during the 30 day cancellation period, any gain in the value of your bond up to the point at which you cancel will not be returned to you.

You can also cancel before you receive your investment bond documents by calling us or your adviser.

Other information

We classify you as a 'retail client' under Financial Conduct Authority rules. This means you'll receive the highest level of protection for complaints and receive information in a straightforward way.

How to complain

If you need to complain, please see the '**How to contact us**' section on page 11.

You can ask us for details of our complaints handling process. These are also on our website www.sterling-assurance.co.uk.

If you're not satisfied with our response to your complaint, you can complain to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Or visit the website www.financial-ombudsman.org.uk

This service is free to you and you can find out more at any time by contacting the Financial Ombudsman Service. You do not have to accept the decision by the Financial Ombudsman Service and you are free to go to court instead if you wish.

Compensation

If we're unable to meet our financial obligations in full, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS).

The compensation you'll receive will be based on their rules. The maximum level of compensation is 100% of the claim.

If a financial institution providing an underlying asset in a fund in which you are invested becomes insolvent, it is unlikely you will be able to claim under the FSCS.

If you need more information, you can contact the FSCS helpline on 0800 678 1100 or 020 7741 4100, write to the address below or visit the website www.fscs.org.uk

Financial Strength

If you'd like to know more about our financial strength, including our Solvency and Financial Condition Report (SFCR) when available, please visit our website at www.zurich.co.uk/SFCR.

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU
UK

Your adviser will recommend products that are suitable for your needs.

You have a legal right to compensation if an authority decides that a recommendation was unsuitable when it was made.

Terms and conditions

This key features document gives a summary of the Sterling Investment Bond. It doesn't include all the definitions, exclusions, terms and conditions.

We'll send you a copy of the full terms and conditions when your investment bond starts. If you'd like a copy before then, please contact us direct.

We'll let you know if there are any changes to the terms and conditions.

Law

The investment bond is governed by the law of England.

Our regulator

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. We are entered on the Financial Services Register under number 147672. You can find this on the website www.fca.org.uk. You can contact the FCA by telephone on 0800 111 6788 (freephone).

Communicating with you

Our investment bond documents and terms and conditions are in English and all our other communications with you will be in English.

How to contact us

If you want to contact us before you invest, you can write, phone, email or fax:



Write to:

Sterling
Sterling Centre
PO Box 461
Bishops Cleeve
Cheltenham
Gloucestershire
GL52 8ZN
UK



Phone: 0370 909 6010

Monday to Friday 8am to 6.30pm and Saturday 9.30am to 12.30pm (we are not open on public holidays).
We may record or monitor calls to improve our service.



Email: info@sterling-assurance.co.uk



Fax: 0370 909 6010

Keep in touch

It's important that we keep in touch so, if you change your address or any of your contact details, please let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print or braille, or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on **18001 0370 909 6010**. Or, if you prefer, we can introduce your adviser to a sign language interpreter.

Please let us know if you would like a copy of this
in large print or braille, or on audiotape or CD.