



Capital Portfolio Bond

Key Features

keyfacts[®]

This is an important document which you should keep along with your Personal Illustration

Alico[®]
Wealth Management

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Alico has branch offices, subsidiaries and affiliates in emerging, developing and developed markets in Europe, Asia, the Middle East, Africa and Latin America. Alico is domiciled in Wilmington, Delaware and has regional headquarters in Tokyo, Paris, Athens, Dubai, and Santiago, Chile.

Capital Portfolio Bond

Key Features

This key features booklet and your personal illustration provide you with the important information you need to consider before investing in a Capital Portfolio Bond. You need to be comfortable with the information in these documents and we recommend that you discuss them with a financial adviser. Alternatively you can contact us; our details are at the end of this booklet.

The Structure

The Capital Portfolio Bond is an open ended lump sum investment product that offers access to a wide range of investment funds. Its main purpose is to provide a medium to long term investment opportunity (five years or more); it is classed as life assurance as the value on death is slightly higher than the Bond's value.

Suitability

The Capital Portfolio Bond is suitable for those:

- With a lump sum of at least £25,000 to invest.
- Who are prepared to invest over a medium to long term period (five years or more).
- Who make their investment choices with the assistance of a financial adviser.
- Who are seeking potentially higher returns than those available through bank and building society accounts and accept this will involve taking a greater risk as their money will be invested predominantly in the stockmarket.

Aims of the Capital Portfolio Bond

- To give you the opportunity to invest a lump sum of money with the aim of increasing the value of your investment.
- To allow you to invest in a wide range of investment funds with the flexibility to switch between these funds.
- To allow you to take one-off or regular withdrawals.
- To pay a cash sum should you die.

Your commitment

- You must invest a lump sum of at least £25,000.
- You should consider the Capital Portfolio Bond as a medium to long term investment, in order to give yourself the best chance of achieving a good return.

Risks

- We do not guarantee what you will get back and you may get back less than invested.
- Tax rules may change and this may mean you have to pay more tax than you expected.
- If you invest you will have 30 days to change your mind but if you do so and the value of your chosen funds has fallen you will get back less than you paid in.
- The real value of the money you invest will be affected by inflation.
- In the event of large cash outflows from the fund, the Fund Manager will reserve the right to delay withdrawals.



Questions and Answers

Who can buy the Capital Portfolio Bond?

The Bond can be bought by an individual between 18 and 79 years old, or in certain circumstances, jointly with spouse/partner or business partner. Alternatively the Bond can be bought by or placed into a Trust.

How flexible is it?

The Bond offers over 100 investment funds and currently offers free switching between them. Also you may add to or withdraw from your Bond at any time or take regular income, subject to the following limits.

Transaction*	Minimum amount
Top up to the original investment	£5,000
Ad hoc withdrawal	£1,000
Regular income	A total of £1,000 per year
Switching	£500

* In all situations at least £500 must remain invested in each of your funds.

What might I get back?

When you want to fully encash your Bond you will always be offered the current value of your Bond. What you will get back will be influenced by:

- How much you invested.
- How your selected investment funds performed.
- The charges we took, including any deductions for tax.
- The length of time you held your Bond.
- Any previous withdrawals you made.
- Any applicable Early Encashment Charge.

What happens if I die?

When the last life assured (usually the last surviving Bond owner) dies, the full value of the Bond, plus an extra 1%, will pass to their estate where it is owned by an individual, or to the trustees where the Bond is held in Trust.

What are the charges?

There is a choice of three product structures to give you the flexibility to choose how we take our charges:

- **Penalty Free** – aimed at those who may require access to their investment in the early years.
- **Enhanced Allocation** – aimed at those seeking to maximise the medium to long term potential of their investment.
- **Total Allocation** – aimed at those looking to spread the one-off initial charge over the first few years.

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Product Structure	Investment Amount	Allocation Rate	Initial Charge	Bonuses every five years	Early Encashment Charge
Penalty Free	£25,000 - £49,999	100.00%		2.50%	
	£50,000 - £99,999	100.25%	5.00%	2.75%	Nil
	£100,000 +	100.40%		2.90%	
Enhanced Allocation	£25,000 - £49,999	103.00%		1.25%	Year 1: 7.50%
	£50,000 - £99,999	103.25%	5.00%	1.50%	Year 2: 6.00%
	£100,000 +	103.40%		1.65%	Year 3: 4.50%
Total Allocation					Year 4: 3.00%
	£25,000 - £49,999	100.75%	1% at each	2.10%	Year 5: 1.50%
	£50,000 - £99,999	101.00%	year end for 5	2.35%	
	£100,000 +	101.15%	years	2.50%	

The Allocation Rate, as shown in **column 1**, is the percentage of your investment that is used to purchase units in your chosen investment fund(s).

The Initial Charge, as shown in **column 2**, is a charge for setting up the Bond. For the Penalty Free and Enhanced Allocation versions, it is taken on the first day as a percentage of the allocated funds. For the Total Allocation version, it is a proportion of the Bond's value and is taken on each of the first five anniversaries.

Bonuses, as shown in **column 3**, are added every five years as a percentage of the funds held when the bonus is calculated.

Withdrawals above 7.5% of the original investment amount will attract an Early Encashment Charge as shown in **column 4**, in the first five years of the investment in both the Enhanced Allocation and Total Allocation structures.

In addition each fund has an Annual Management Charge, which is taken into account when we set the unit prices. Details of these charges are given in the Investment Fund Guide.

If you have agreed an additional Adviser Fee with your adviser this will be deducted every three months by reducing the number of units you hold.

Charges may be varied by Alico Wealth Management at any time, subject to giving you not less than three months' notice.

What about tax?

Basic rate tax, which cannot be reclaimed, is taken into account when we calculate the funds' unit prices. You may withdraw up to 5% a year without incurring any immediate further tax (and carry forward any part of this 5% that you do not use). The excess will be taxed at 20% if you are a higher rate taxpayer when the 5% limit is exceeded.

When you finally encash your Bond the encashment value will be added to any withdrawals where you haven't paid tax. If this sum exceeds the original amount the excess will be taxed at 20% if you are a higher rate taxpayer.

Tax treatment depends on the individual circumstances of each client and may be subject to change in future. You should discuss with your financial adviser how tax may impact you.

Can I change my mind?

After you have invested you will receive a notice telling you of your right to change your mind and how to cancel. You'll then have 30 days to cancel your investment. If you decide to cancel, we will give you your money back. If, however, in the meantime the value of the investment has fallen, you may not get back the full amount paid.

How can I keep track of my Bond?

Every six months we will send a statement of your fund values, to you and your financial adviser. You may also request this information at any time – the contact details are below.

Where can I find further details?

Further details can be found in the Investment Fund Guide and the Policy Conditions. Alternatively you can contact us.

How to contact us?

Your financial adviser should normally be your first point of contact and will be able to answer most questions that you have. If you want to contact us, you can do so by phone, fax or in writing as follows:

Head Office: Alico Wealth Management, 22 Addiscombe Road, Croydon, Surrey CR9 5AZ

T: 020 8666 8450

F: 020 8666 8481

W: www.alicowm.co.uk

Other Information

How to complain

Most problems and misunderstandings can be dealt with immediately by a member of our Investment Administration Department who will be pleased to help you.

If you have a complaint, please write to the Compliance Officer at 22 Addiscombe Road, Croydon CR9 5AZ.

Should you require confirmation of our complaints procedure a copy of our Customer Care leaflet is also available from our Compliance Officer.

Law

English law will apply to the Capital Portfolio Bond.

Compensation

Your investment is protected by the Financial Services Compensation Scheme. If we are unable to meet our obligations in respect of your investment, currently, you may be eligible for compensation of up to 100% of first £2,000 of the claim and 90% of the remainder of the claim. Further details are available from the Financial Services Authority or the Financial Services Compensation Scheme.

Contacting Alico Wealth Management

Contact your local branch or visit www.alicowm.co.uk for any queries relating to Alico Wealth Management and its products.

Head Office

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Current values, Surrender Values & Enquiries: 020 8666 8450

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Wealth Management