



## Key Features of the Windsor Life Preserve & Profit Bond Series 10

### **keyfacts**<sup>®</sup>

The Financial Services Authority is the independent financial services regulator. It requires us, Windsor Life, to give you this important information to help you decide whether our Preserve & Profit Bond Series 10 is right for you. You should read the document carefully so that you understand what you are buying, and then keep it safe for future reference.

The Key Features is an important summary of this policy. Please read it along with the enclosed illustration.



## Key Features of the Windsor Life Preserve & Profit Bond Series 10

### Its aims

- To give you growth on your investment, over the medium to long term, in the Windsor Life With-Profit Fund.
- To allow you to take a regular income from your investment if you need to. (However, if you want this option, you must choose it when you take out the bond.)

### Your commitment

- You agree to pay a single premium, either by reinvesting your maturing policy value, or as a top-up to your existing bond.

### Risks

- You may not get back all the money you put into this policy because it could be subject to a Market Value Reduction (MVR). Because of this it may not be suitable for a low-risk investor. An MVR does not apply on death.
- We do not guarantee future bonus rates. Bonuses may be less than shown on your illustration and the reasons for this may include:
  - lower investment growth;
  - changes to the tax rules; or
  - profits and losses made on other business held in the with-profit fund.



## Questions and answers

### What is the Preserve & Profit Bond?

- It is a whole of life assurance policy which you should view as a medium to long-term investment.
- You can reinvest a lump sum from a maturing policy you have with us. You can add to your investment at any time.
- Your premium buys a number of units in the with-profit fund. There are no charges up front. The with-profit fund holds an actively managed mix of shares and unit trusts (both UK and International), property and fixed interest securities. This balanced strategy is designed to provide steady levels of growth over the long-term.
- We automatically split your investment into identical policies of equal size. This is set currently at a value of £1,000. For example, if you invest £10,000, we would create 10 policies for you. Splitting your investment into 'clusters' means the policy is much more flexible and so you can make larger withdrawals or cash in part of the bond by surrendering individual policies. By doing this, you reduce your liability to pay higher or additional rate tax.
- We will add daily bonuses by increasing the unit price.
- We may add a further bonus to the final policy value.
- You can get more information on how the Windsor Life With-Profit fund works, how we manage it and an explanation of some of the business risks in a leaflet called '**How the Windsor Life With-Profits Fund is managed**'. This is also called the Consumer Friendly Principles and Practices of Financial Management (CFPPFM). You can get a copy from our website, [www.windsor-life.com](http://www.windsor-life.com), or you can ask us to send you one. Please also see the **Bonus Rates and Notification** area in the **Further Information** section.
- You can set up your policy on a single life, joint life first death, or joint life second death basis. If the bond is written on a joint life first death basis, we pay the death benefit when the first person dies. If the bond is written on a joint life second death basis, we pay the death benefit when the second person dies.
- If you choose to arrange your bond as a joint investment, if you die, your partner can keep the bond without cashing it in. This may also have extra tax advantages as you could split the future gains between you.

### What are the maximum and minimum amounts I can invest?

- The current minimum investment is £1,000 both if you are reinvesting the proceeds of maturing policies you have with us or topping up an existing bond.
- There is no maximum investment.



- If you are moving the maturing value of an existing policy then we will internally transfer the funds. If you are topping up an existing bond, you should make your payment by cheque (from a UK bank account).

## **Can I make withdrawals?**

- Yes, you can make automatic withdrawals each year up to 5% of the original amount you invested. . If you do not take this option at the start of the policy, you cannot take it at a later date. We do not charge for this facility.
- You can choose to take a regular income either every month, every three months, every six months or every year.
- We pay each withdrawal by selling units. If your regular withdrawal is more than the growth the bond has achieved, we will take it from your initial investment (your capital).
- We will pay your withdrawals in arrears, which means at the end of the payment period you have asked for.
- You cannot stop or vary this facility.
- The smallest amount you can withdraw is currently £50 each payment.
- You can ask for a specific amount or a percentage of the value of the bond.
- We will not apply any MVR to regular withdrawals started at the beginning of the bond.

## **What about the life cover?**

- In the event of death while the bond is in force we will pay out 101% of the surrender value. The policy will then stop.
- We will not apply any MVR on a death payment.

## **What are the charges?**

- There are no up front charges. We will invest 100% of your initial investment in the Windsor Life With-Profit Fund.
- The bonus rates we declare for with-profit accumulator units are net of investment expenses. The policy carries an annual management charge of 0.95% each year. We will not increase this charge.
- We add units to your policy at the 'offer price' and sell them at the 'bid price'. There is no difference between the offer price and bid price.



## Can I cash in the policy?

- You can cash in (surrender) the whole policy at any time.
- You can also cash in part of your policy instead of the whole policy by surrendering individual 'clusters'
- The surrender value will be equal to the value of units allocated plus any final bonus, less any MVR we may take off.
- There are no penalty charges for surrendering. But we may apply an MVR to any surrender value depending on the overall market conditions. We will let you know in your surrender illustration if this is the case.

## What about tax?

### Fund taxation

- We pay tax on income and capital gains within the fund. You cannot claim this back even if you are a lower rate taxpayer or do not pay any tax. We will take this tax out of the fund and reduce the value of the policy to take account of it.

### Inheritance tax

- If the bond is still in force when you die, your estate may have to pay this tax. This will depend on how you set up the bond.
- Special tax rules apply to bonds placed in trust, so please see your financial adviser, or contact us for more details.

### Personal taxation

- Whether you will have to pay tax will depend on which rate of tax you pay at the time you receive any benefit from the policy.
- If you are a basic rate taxpayer, you will not have to pay any further tax unless this moves you into a higher tax band.
- If you are a higher or additional rate taxpayer, you will have to pay tax on the surrender value less the original amount invested. For working out the tax due, we will add back into the surrender value any withdrawals taken previously. If you have already paid tax on part of these withdrawals then you will not have to pay it again.

### Withdrawals

- You will have to pay tax on any part of the income received each year which is more than 5% of the original amount invested.

### HM Revenue & Customs (HMRC) allowances

- If you are entitled to claim:
  - Higher Personal Allowance (formerly called Age Allowance);
  - Child Tax Credits; or
  - Working Tax Credits;



then any gains you make from any of the following chargeable events will affect any right to these allowances:

- Death;
- Cashing in all or part of the bond;
- Withdrawing more than 5% of the original amount invested; or
- Assigning (meaning the legal transfer of ownership of the bond in exchange for money or something worth money).

**Please remember that tax rules and rates can change.**

## **What happens if I lose touch with you?**

- It is your responsibility to let us know where you live. We will make every effort to find you if you move away, but you should not rely on this.
- If we cannot contact you, we will not be able to:
  - tell you about changes in legislation;
  - give you statements about how your fund is performing; or
  - tell you what benefits are available to you.

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

- After we accept your proposal we will send you your policy provisions, which will include a Cancellation Notice. If you decide you do not want the policy, you will have 30 days from the day you received your policy provisions to let us know. You can do this by writing to us or sending back the completed Cancellation Notice.
- We will refund any money you have paid free of any charges. See the section **Your right to change your mind** in the **Further Information** section for more details.



## Key Features - Further Information

This section aims to give you more detailed information about the policy.

### Type of policy

It is a single premium, non-qualifying with-profit whole of life assurance policy.

### General

- We will only communicate with you in English.
- We do not offer financial advice, and all business you take out with us is on an execution only basis. (This means that you make your own decisions and tell us what you want us to do after reading the information we send to you.)
- The law of England will apply to any disagreements about the policy.

### Bonus Rates and Notification

We run the With-Profit fund according to our Principles and Practices of Financial Management (PPFM). A free copy of this document is available to all our with-profit investors or if you prefer, you can view it online at [www.windsor-life.com](http://www.windsor-life.com). We add bonuses each day by increasing the unit price. We guarantee the unit price will never fall.

We, in line with professional actuarial principles and the statutory regulations in force, decide the declaration of bonuses. In deciding the bonus rates, we recognise the reasonable expectations of with-profit policyholders. Future bonus rates depend on profits yet to be earned and so, we cannot guarantee them. Each year on the anniversary of your investment, we will send you a notice of the number of units you hold, the unit price and the value of those units.

We may add a further bonus, known as a terminal bonus, to the final proceeds.

**Market Value Reduction:** We may take off an MVR from the amount we pay out in certain circumstances.

One of the main reasons to apply an MVR is poor performance in the investment markets. But there are other reasons too, which we have set out in the Windsor Life

Principles and Practices of Financial Management (PPFM) document. You can see a copy of this on our website.

We will follow the PPFM when deciding when to apply or remove an MVR.

### Your right to change your mind

You have 30 days from the date you receive your policy provisions to let us know if you want to cancel your policy.

If you change your mind, we will give you back your money, however, if your fund has reduced in value the money we pay you will be less than your original payment. You will not receive more than you gave us.

Your cancellation notice will include full details of what to do if you change your mind. If you decide not to go ahead you can send the completed cancellation notice or a letter to Windsor Life, Windsor House, Telford Centre, TF3 4NB.

### Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our responsibilities. The FSCS currently covers 90% of the total claim. You can get more information about compensation arrangements from the Financial Services Compensation Scheme.



## Questions and complaints

For information about or changes to your policy, please contact:

Windsor Life  
Customer Services Department  
Windsor House  
Telford Centre  
TF3 4NB

Telephone: 0800 073 1777

If you want to complain about any part of the service you have received, please contact our Customer Services Department. We have a complaints

procedure and you can ask us for a copy of this.

If you are not happy with how we deal with your complaint, you can then complain to:

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

Telephone 0845 - 0801800.

If you contact the Financial Ombudsman Service, or make a complaint, it will not affect your right to take legal action.

**These Key Features (W0073 version 2.1 KF 02/11) are a guide to the product. They are based on Windsor Life's understanding of the current Law of England and HM Revenue & Customs practice as at February 2011. The statements made relate only to the packaged products of Windsor Life and its group of companies. Full details are contained in the policy document, which is a legally binding contract between you and Windsor Life.**