

Key Information Document – Capital Investment Bond

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

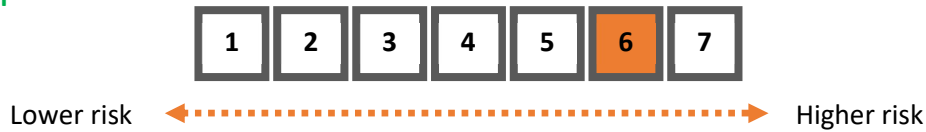
The 'Capital Investment Bond' is manufactured by LIC UK. Visit <https://www.liciuk.com/> or call 0800 068 5712 for more information. The Financial Conduct Authority (FCA) is the competent authority of Life Insurance Corporation of India. This KID was produced on 11 December 2023.

What is this product?

<p>Type</p> <p>The 'Capital Investment Bond' is a unit linked whole life assurance, with a minimum single investment of £5,000 (or £2,000 for follow-up investments).</p>
<p>Objectives</p> <p>It aims to increase the value of your lump sum investment through investing in stocks and shares .</p> <p>Partial or full withdrawals can be taken at any time, but this will deplete the capital invested. The value of your bond and any income from it depend on the price of units in the fund you choose to invest in, which can go down as well as up, and you may get back less than you paid in.</p> <p>This product invests in the following fund:</p> <ul style="list-style-type: none"> Balanced Managed Fund - This fund will invest in a mix of Equity shares, Gilts/Corporate Bonds and cash, within the following ranges depending upon economic and investment conditions – Quoted Equity Shares – 65% to 95%: Fixed Interest 10% to 30%: Cash 0% to 20%.
<p>Intended investor</p> <ul style="list-style-type: none"> Individual with a medium to long term investment horizon with a risk tolerance that matches the Fund Risk profile. You must be aged 18 and over to start the plan.
<p>Insurance benefits</p> <ul style="list-style-type: none"> It will provide a lump sum of 101% of the value of your investment if you die while the bond is in place, as at the date of death.
<p>Further information</p> <ul style="list-style-type: none"> This product does not have a maturity date. There is no personal liability to basic rate tax. Tax is paid on income and capital gains from within the bond equivalent to basic rate tax. Death or withdrawals from the bond gives rise to a chargeable event and you may incur a tax liability.

What are the risks and what could I get in return?

Risk Indicator



The risk indicator assumes you keep the product for 10 years.

The risk indicator above is a general guide to level of risk existing in a unit linked based investment product when compared to other investment products. It is an indication of the risk arising from investing in stocks and shares markets.

We have classified this product as 6 out of 7, which is at the higher end of risk taking. This is because as much as 95% could be invested in equity shares.

The Capital Investment Bond product range invests in the Balanced Managed Fund and your payments to us are pooled in the same fund with all other investment product payments we receive from all other customers. The growth or reduction in value of your investment will be determined by how well the fund performs over the medium to long term.

We ask a professional Investment Management Company to then buy and manage the assets in the fund on our behalf with the objective of generating growth rates in line with the expectation we gave you when you purchased our product. We monitor how well the fund is performing by comparing its annual performance to benchmark indices which are identified in the supporting Fund Information Document available on our website.

Investment growth in your Capital Investment Bond occurs when there is sufficient growth in the underlying assets. There is no guarantee that investment growth will be achieved as this depends upon the underlying assets, and by the amount of our business expenses we charge to the fund.

What could affect my return positively?

If the stocks and shares markets go up in value and interest rates are steady or falling your investment should grow.

When the UK and major overseas countries have growing or stable economies the value of stock markets may grow and your investment should increase in value.

What could affect my return negatively?

Your investment may perform poorly when there is weak UK and global economic growth and when interest rates and inflation are rising.

If the charges applied to your policy are greater than the growth in the underlying assets the value of your policy will reduce.

Inflation higher than the rate of growth of your investments will reduce the purchasing power of your money when you come to withdraw it.

What happens if LIC UK is unable to pay out?

If we are unable to pay you what you are owed under the policy terms, then you may be able to reclaim some of your investment through the Financial Services Compensation scheme. The details are available at <https://www.fscs.org.uk/what-we-cover/>. There are no limitations or conditions attached to this scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. LIC UK reserves the

right to alter the charges. The amounts shown here are the cumulative costs of the product itself, for three different holding periods under the moderate scenario. The figures assume you invest £10,000 for 10 years. The figures are estimates and may change in the future and will be different if you hold the product for 10 years plus.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment: £10,000. If you cash in after...	1 year	5 years	10 years
Total Costs (£)	£155	£875	£2,038
Impact on return (RIY) per year (%)	1.55%	1.55%	1.55%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	Nil	This product does not charge any entry costs.
	Exit costs	Nil	This product does not charge any exit costs.
Ongoing costs	Portfolio transaction costs	0.05%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.50%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	Nil	This product does not charge any performance fees.
	Carried interests	Nil	This product does not charge any carried interests.

How long should I hold it and can I take money out early?

The recommended holding period is a **minimum of 10 years** and has been selected to enable investors to benefit from long term growth whilst avoiding short term volatility.

You can withdraw part or all of your money at any time, without any charges, however the bond is a medium to long term investment and not suitable if you are likely to cash in after a short period. After the first 12 months you can ask to receive regular automatic withdrawals, with a minimum of £50. These can be made monthly, quarterly, half-yearly or yearly. Single lump sum withdrawals may also be made, subject to a minimum of £500. Partial encashment will not be available if the amount remaining in any one fund is less than £500. Withdrawals of more than 5% in any one policy year give rise to a chargeable event.

How can I complain?

If you are not satisfied with what we do for you, please let us know by writing to LIC UK, 1st Floor, Victoria House, 49 Clarendon Road, Watford, WD17 1HP. If you prefer, you can telephone our Customer Helpline on 0800 068 5712 (Freephone) or email us at customer.service@licuk.com. If you are not happy with the outcome you may be able to refer to the Financial Ombudsman Service at <https://www.financial-ombudsman.org.uk/> about this if you need it. You also have the right to cancel within 30 days.