

Key Information Document – Capital Investment Bond (15)

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

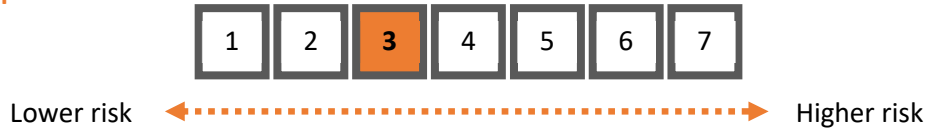
The 'Capital Investment Bond' is manufactured by LIC UK. Visit <https://www.liciuk.com/> or call 0800 068 5712 for more information. The Financial Conduct Authority (FCA) is the competent authority of Life Insurance Corporation of India. This KID was produced on 17 April 2019.

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 a choice of funds. 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(s) you choose to invest in, which can go down as well as up, and you may get back less than you paid in. You can invest in any of the following funds:</p> <ul style="list-style-type: none"> Balanced Managed Fund – aims to achieve medium to long term growth, through a wide range of assets including equities, gilts, bonds and cash, both in the UK and overseas. Roughly 70% of the fund will be invested in equities; Defensive Managed Fund – aims to provide a combination of income and longer term capital growth, through investing in equities, gilts, bonds and cash. Roughly 65% of the fund will be in fixed interest gilts and corporate bonds; Bond Fund – aims to provide high income with scope for capital growth by investing in fixed interest securities such as gilts, corporate bonds and cash.
<p>Intended investor</p> <ul style="list-style-type: none"> Individual with a medium to long term investment horizon with a medium tolerance to risk, depending on choice of fund. 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. LICI UK is not entitled to unilaterally terminate this product unless you have misrepresented the facts provided to us.

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

Risk Indicator



The risk indicator assumes you keep the product for 15 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions could impact the capacity of LIC UK to pay you. 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. If LIC UK is not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

This table shows the money you could get back over the next 15 years, under different scenarios, assuming that you invest £10,000 in the Balanced Managed Fund. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

Investment: £10,000		1 year	8 years	15 years
Stress scenario	What you might get back after costs (£)	£7,379	£6,686	£5,688
	Average return each year (%)	-26.2%	-4.9%	-3.7%
Unfavourable scenario	What you might get back after costs (£)	£9,678	£11,605	£14,808
	Average return each year (%)	-3.2%	1.9%	2.7%
Moderate scenario	What you might get back after costs (£)	£10,479	£14,527	£20,137
	Average return each year (%)	4.8%	4.8%	4.8%
Favourable scenario	What you might get back after costs (£)	£11,341	£18,175	£27,370
	Average return each year (%)	13.4%	7.8%	6.9%

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. The figures are estimates and may change in the future.

Costs over time

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	8 years	15 years
Total Costs (£)	£165	£1,933	£5,314
Impact on return (RIY) per year (%)	1.65%	1.65%	1.65%

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	1.60%	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?

Recommended holding period: 15 years

The recommended holding period 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 it 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.

Other relevant information

Additional information about the product and policy conditions can be found in our terms and conditions document.