

Key Information Document - Steady Growth With Profit New ISA (SP)

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 'Steady Growth With Profit New Individual Savings Account' 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?

Type

- The 'Steady Growth With Profit New Individual Savings Account' is a “with-profits” stocks and shares ISA which allows you to invest a minimum of £100 monthly or £1,200 yearly, or a minimum lump sum of £4,000.
- The maximum you can invest in the 2023-24 tax year is £20,000, less any amount already invested in a Cash ISA. This maximum may change in future tax years.
- The ISA fund invests in the ratio of 50:50 between equities and fixed interest securities.

Objectives

- It aims to help your savings grow efficiently through tax-free returns, and provide steady but potentially good growth over a medium to long term.
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- Depending on the performance of the fund, bonuses are declared twice in a year and the unit price rises daily in line with the declared bonus rate.

Intended investor

- Suitable for individuals who can afford to invest some money for a medium to long term investment horizon.
- Aimed at those prepared to accept the risks associated with pooled investments but not to take the risk of investing directly on to the stock market.
- You must be aged 18 or over and a UK resident for at least 6 months of the current tax year.
- You must not have made payments into another stocks and shares ISA within the current tax year.

Insurance benefits

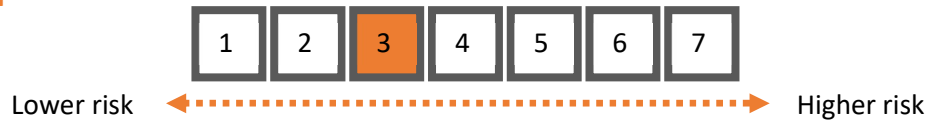
- The amount payable on death is 101% of the value of units held, plus the value of any final bonus if payable. There will be no Market Value Reduction (see below) applied. The tax efficient status of the plan ends on date of death, and the amount payable may be subject to inheritance tax.

Further information

- You have access to your money at all times. Depending upon how the investments in the with-profits fund have performed, there may be a final bonus paid or your policy may be subject to a deduction called the 'Market Value Reduction' when you cash in part or all of your plan. However the Market Value Reduction will not apply to any money withdrawn on the 10th anniversary from when you first started your ISA and thereafter on every 5th anniversary.
- The minimum withdrawal is £500. If the remaining value after withdrawal is less than £500, then the plan will be cancelled and the balance paid to you.
- If you wish to transfer your ISA to another provider we will charge you £30, which will be deducted from the proceeds.

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 with - profits based ISA when compared to other types of ISA. It is an indication of the risk arising from investing in stocks and shares markets and the risk that we will not have enough surplus to pay out when your investment is encashed.

We have classified this product as 3 out of 7, which is a medium-low risk class.

The ISA product range is invested in LIC UK's with-profits fund and your ISA payments to us are pooled in this single 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 equity shares and government & corporate bonds held in the single with-profits fund perform over the medium to long term.

LIC UK decides on the mix of investment classes that are to be held within its single with-profits fund. We ask a professional Investment Management Company to then buy and manage those assets 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 our fund is performing by comparing its annual performance to benchmark indices which are the FTSE AllShare for UK shares, FTSE World (Ex-UK) for overseas shares and FTA British Government Fixed 5-10 years for fixed interest stocks. Your ISA is invested 50% in equity shares and 50% in government and corporate bonds.

Investment growth in your ISA occurs when we pay an annual bonus to your plan, and possibly a final bonus when the plan is finally encashed. There is no guarantee that these bonuses will be paid as that depends, as mentioned above, on what investment growth is achieved by stocks and shares markets, 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 we charge high expenses to the fund it will reduce the amount of bonuses payable.

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. They include potential early exit penalties of 5%, 3% and 1% if you withdraw your investment within years 1, 2 and 3 respectively. There are no exit costs after year 3. 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. ISA transfer costs are not included.

Investment: £10,000. If you cash in after...	1 year	5 years	10 years
Total Costs (£)	£646	£747	£1,487
Impact on return (RIY) per year (%)	6.46%	1.50%	1.50%

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 and 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	There are no exit costs after year 3.
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	1.45%	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 not less than 5 years and it may be beneficial to hold for 10 years. Full and partial surrender is allowed at any time. Please refer to the additional product information supplied for more detail.

How can I complain?

You may write to us at LIC UK, 1st Floor, Victoria House, 49 Clarendon Road, Watford, WD17 1HP. If you prefer, you can call us 0800 068 5712 (Freephone) or email us at customer.service@licuk.com.

If you remain dissatisfied you can refer to the FOS at <https://www.financial-ombudsman.org.uk/>

Other relevant information

You may also refer to how we manage our with-profits business at <https://www.licuk.com/about-us/principles-and-practices/>