

## Key Information Document (KID) – Capital With-Profits Bond (20 years)

### 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

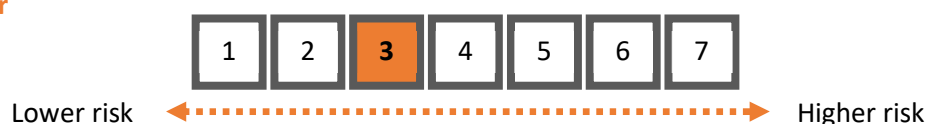
The 'Capital With-Profits Bond Plan' is manufactured by LIC UK. Visit <http://www.liciuk.com/> or call 0800 685 712 for more information. The Financial Conduct Authority (FCA) is the competent authority of Life Insurance Corporation of India. This KID was produced on 05 January 2018.

### What is this product?

<p><b>Type</b></p> <p>The 'Capital With-Profits Bond Plan' is a single premium endowment policy with a minimum single investment of £5,000 is paid (or £2,000 for follow-up investments), for a guaranteed cash sum at maturity or in the event that you die within the savings period, as well as bonuses dependent on investment performance.</p>
<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• It aims to increase the value of your lump sum investment growing steadily over the medium to long term and to provide a guaranteed cash sum if you die during the savings period or at the end of the savings period.</li> <li>• You may also receive a share of the profits of LIC UK's with-profits fund, achieved by investing pooled contributions with those of other investors in a wide range of investments including stocks and shares.</li> <li>• The bonuses received from the with-profits fund will depend on the performance of the stock market related investments they are invested in, and are not guaranteed. However once awarded, they will not be taken away.</li> </ul>
<p><b>Intended investor</b></p> <ul style="list-style-type: none"> <li>• Individual with a medium to long term investment horizon with a medium tolerance to risk.</li> <li>• You must be aged between 18 and 59 years at the start of the plan.</li> </ul>
<p><b>Insurance benefits</b></p> <ul style="list-style-type: none"> <li>• No extra benefit other than the guaranteed cash amount plus any bonuses to date.</li> </ul>
<p><b>Further information</b></p> <ul style="list-style-type: none"> <li>• The maturity date is agreed at the start of your plan. The minimum term is 5 years and the maximum is 20 years, with a maximum age at maturity of 74 years.</li> <li>• The plan is a non-qualifying policy, which means higher and additional tax payers will have a tax liability on the gains made from this investment.</li> <li>• LIC UK is not entitled to unilaterally terminate this product unless you have misrepresented the facts provided to us.</li> </ul>

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

#### Risk Indicator



The risk indicator assumes you keep the product for 20 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. You are guaranteed to be provided your agreed cash sum plus bonuses to date at the maturity date of your plan or when you die. 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 20 years, under different scenarios, assuming that you invest £10,000. 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 LIC distribution costs. The figures do not take into account your personal tax situation, which may also affect how much you get back. Inflation would reduce what you could buy in the future with the amounts shown.

Investment: £9,998.29 Insurance premium: £1.71 (Age 30)		1 year	10 years	20 years
Stress scenario	What you might get back after costs (£)	£7,593	£5,142	£13,112
	Average return each year (%)	-24.1%	-6.4%	1.4%
Unfavourable scenario	What you might get back after costs (£)	£8,735	£10,908	£15,422
	Average return each year (%)	-12.6%	0.9%	2.2%
Moderate scenario	What you might get back after costs (£)	£9,175	£13,065	£19,852
	Average return each year (%)	-8.2%	2.7%	3.5%
Favourable scenario	What you might get back after costs (£)	£9,639	£15,634	£25,591
	Average return each year (%)	-3.6%	4.6%	4.8%

### 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.

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	10 years	20 years
Total Costs (£)	£1,364	£3,978	£8,535
Impact on return (RIY) per year (%)	13.6%	2.8%	1.9%

### 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	0.65%	The impact of the costs you pay when entering your investment.
	Exit costs	Nil	This product does not charge any exit costs.
Ongoing costs	Portfolio transaction costs	0.06%	The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	0.002%	The impact of the cost of providing the life cover.
	Other ongoing costs	1.22%	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: 20 years

The recommended holding period has been selected to enable investors to benefit from long term growth whilst avoiding short term volatility.

You can cash in your plan whenever you like, but if you cash in early the amount you receive is not guaranteed and may be less than you have contributed.

#### How can I complain?

If you are not satisfied with what we do for you, please let us know by writing to LIC UK, 1 Floor, Victoria House, 49 Clarendon road, Watford, Hertfordshire, WD17 1HP. If you prefer, you can telephone our Customer Helpline on 0800 068 5712 (Freephone) or email us at [customer.service@licuk.com](mailto:customer.service@licuk.com). You also have right to cancel within 30 days.

If you are not happy with the outcome you may be able to refer to the Financial Ombudsman Service at <http://www.financial-ombudsman.org.uk/> about this if you need it.

#### Other relevant information

Additional information about the product and policy conditions can be found in our terms and conditions document. You may also refer to how we manage our with-profits business at <https://www.licuk.com/about-us/principles-and-practices/>.