

CAPITAL INVESTMENT BOND

Plan Document including
Terms and Conditions for
Plans issued from 1 January 2013

WESLEYAN

we are all about you



YOUR CAPITAL INVESTMENT BOND

This Plan Document has all of the standard Terms and Conditions of the Plan (starting on page 4). It should be read with your Policy Schedule which shows what You have paid, the Death Benefit and any special conditions which apply to You.

The Terms and Conditions covered in this Plan Document, the Schedule (including any special conditions) and any Endorsements we may add later to your Plan, describe the contract we have with You.

If there is any inconsistency between the special conditions and any other part of the Plan Document, the special conditions will apply.

If You pay what is shown in the Schedule, we will pay the benefits described in the Plan Document. Any payment we make will be in line with the Plan conditions and any Endorsements.

If You have any questions, please contact us using the contact details on page 8.

Taking out this Plan may also make You a member of Wesleyan Assurance Society. As part of this membership, we shall contact You from time to time about the various benefits You may be entitled to receive. For more information on membership, visit www.wesleyan.co.uk/mutuality and www.wesleyan.co.uk/mutuality/member-benefits.

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1. PLAN DEFINITIONS

In this document we use financial words and phrases that not everyone will be familiar with. We've explained what these mean below.

- ▶ **Allocation rate** – the percentage of your payment that is used to buy Units. The Allocation rate is the method by which we take any Initial Advice Charge that applies. It may be different for different payments. The Schedule states the Allocation rate that applies to each payment You make.
- ▶ **Assignment** – when You transfer your rights and benefits of this Plan to someone else.
- ▶ **Best execution** – to get the best possible result when we buy or sell investments, we consider various factors. Our policy on how we approach this is set out in our 'best execution' policy available on our website.
- ▶ **Death benefit** – an amount we will pay out in the event of your death. It is equal to the Plan value multiplied by 101%.
- ▶ **Endorsement** – a document we may send You which shows any changes to the terms of this Plan. We will agree these changes with You.
- ▶ **Final bonus** – for investments in the Life With Profits Fund an amount we might add when You cash in all or some of the Units. We may also add a Final bonus if the Plan pays out because someone has died. Although this is not guaranteed.
- ▶ **Market Value Reduction (MVR)** – an adjustment we can make which reduces how much You get back if You cash in any part of your investment in the Life With Profits Fund at certain times (for example, when share prices are generally low). This reduction is not an additional charge; rather, it ensures customers that continue to invest are not disadvantaged by the excessive withdrawals of other customers at unfairly high valuations.
- ▶ **Minimum income amount** – this is the minimum amount of money your regular income payments need to be.
- ▶ **Ongoing Advice Service (OAS)** – an optional advice service, provided by Wesleyan Financial Services (WFS). There is more information about this service in the Services and Costs Disclosure Document provided by WFS.
- ▶ **Plan value** – the Plan value is the collective value of your Policies. It includes the value of the Units You hold plus, if You have Units in the Life With Profits Fund, any Final bonus we may add.
- ▶ **Regular bonus** – for investments in the Life With Profits Fund, this is an amount we might add throughout the period of your investment by increasing the Unit price. We will review the regular bonus rate that will apply to your Plan annually. We don't promise to add any regular bonuses, however once we add a regular bonus it can't be taken away (subject to any Market Value Reductions in place).

- ▶ **Schedule** – the document which shows specific details about your Plan.
- ▶ **Segments** – your Plan is split into 100 equal parts called segments. Splitting your Plan up this way makes it easier for You to cash part of it in and leave the rest invested. Each of these segments represents an individual life assurance policy within the Plan. This Plan Document applies to each of these policies.
- ▶ **Unit linked fund(s)** – an investment fund which is divided into Units. Your money and money from other investors is used to buy Units in the fund. The number of Units You have is your share of the fund.
- ▶ **We or us** – the Wesleyan Assurance Society.
- ▶ **Working day(s)** – the days we are open for business. So Monday to Friday except bank holidays in England.
- ▶ **You or your** – the person who owns the Plan.

2. YOUR INVESTMENT

Your payments are used to buy Units in the investment fund or funds which are shown on the Schedule.

We work out the number of Units which will be allocated to your Plan in the following way:

- ▶ First we determine the amount of money used to buy Units (the investment content). This is calculated by multiplying the amount of your payment by the Allocation rate shown in the Schedule.
- ▶ Next we determine the number of Units which will be allocated to your Plan. This is calculated by dividing the investment content by the Unit price which applies on the next working day after we receive your payment.

Your Plan is split initially into 100 equal parts (called segments). We will allocate:

- ▶ your payments evenly across all the segments, and
- ▶ any extra money You pay into the Plan evenly across all the segments You have at the time.

Our investment funds

There are a range of funds You can invest in. For more information, please read our fund factsheets which are on our website (www.wesleyan.co.uk/fund-prices) or You can ask us to send You copies. We may add to, remove or change the range of funds that You can invest in at any time.

Valuing the funds

We value our Life With Profits Fund at least monthly under normal circumstances, accounting for both investment performance and Society performance. The change in value of the Life With Profits Fund is then allocated to the value of your Plan over time, through our smoothing process, in order to reduce the effect of short-term fluctuations. Smoothing is where we hold back some of the returns in periods of good investment returns so that we can reduce some of the impact of subsequent periods of poor investment returns. We allocate returns by increasing the Unit price, paying out Final bonuses, or both.

For more information about the Life With Profits Fund, please read our booklet 'How our With Profits Fund works (for policies where premiums are used to buy Units)' which is on our website www.wesleyan.co.uk/savings-and-investments/with-profits-fund or You can ask us to send You a copy.

We value our other Unit linked funds at least once a month.

We calculate the value of our funds as follows:

- ▶ We work out the value of our shareholdings using the latest share prices on an appropriate stock exchange.
- ▶ We value any cash held by the funds at face value.
- ▶ We value any other assets using an appropriate method for each type of asset.
- ▶ We take out the costs of:
 - ▶ buying, selling and maintaining our assets
 - ▶ valuing our assets, and
 - ▶ any expenses, any tax we have to pay, and any other costs linked to the valuation (which must be reasonable)

Annual Management Charge

We take an Annual Management Charge (AMC) for managing your investment and running your Plan. If You are opted into the Ongoing Advice Service (OAS) provided by WFS, the AMC includes the cost of this service. This is a percentage of how much your Plan is worth. We take part of this charge from the fund before we set the Unit price and part by cancelling Units in your Plan.

We will only increase the AMC if:

- ▶ the administration and expenses costs linked to this Plan go up. (The expenses must be reasonable in amount and reasonably incurred.)
- ▶ You are opted into the OAS and the cost of this service increases, or
- ▶ there are tax or regulatory changes affecting life assurance companies which adversely affects the Plan.

Any changes would be reasonable and proportionate and we will tell You about any changes as soon as we can, although we may change the charge without giving You advance notice.

Unit linked funds

(excluding the Life With Profits Fund)

The Unit price at any time is the price of the last valuation (see the section 'Valuing the funds' above).

We calculate the Unit price by dividing the current value of each fund by the total number of Units in that fund.

Life With Profits Fund

The value of each unit (the unit price) changes in line with any regular bonus declared, less fund charges. The With Profits Unit Value is the number of units held multiplied by the unit price. When units are sold, we may pay more than this by adding a final bonus, or less by applying a Market Value Reduction (MVR). Applying an MVR may be necessary if the value of your underlying assets is below the With Profits Unit Value and the Board consider it necessary to protect the financial strength of the Society and the interest of policyholders who remain invested.

For more information about the Life With Profits Fund, please read our booklet 'How our With Profits Fund works' (for policies where premiums are used to buy units)' which can be found on our website www.wesleyan.co.uk/savings-and-investments/with-profits-fund, or you can ask us to send you a copy.

Units in the funds

Units are created when payments are made into the funds or when Units are divided into different types of Units without affecting Plan values, which may occur as an example when investment funds are merged.

We only cancel Units when we are paying out benefits or taking out our charges.

Switching funds

You can move your money from one fund to another. This is known as a fund switch. When switching funds, Units will be cancelled in the existing fund(s) and the cash value obtained is used to buy Units in the new fund(s).

If You are switching out of a fund and do not cash in all the Units, a minimum value of £25 must be maintained in the fund. You must write and tell us that You want to switch.

You can make up to 12 fund switches in any 12-month period.

We don't charge You the first time You switch in any calendar year, but we will charge You £25 for each subsequent switch in a calendar year. We will only increase this charge in the future if our administration and expenses costs go up. Any changes in the level of the charge would be reasonable and proportionate.

When You make a switch, we work out the value of the Units You are cashing in, using the Unit price which applies the next working day after we receive your written instructions. From this value we may:

- ▶ reduce the value of your Units by applying an MVR if You are switching out of the Life With Profits Fund
- ▶ add a Final bonus, if You are switching out of the Life With Profits Fund, and
- ▶ take out the switch charge.

We will use the rest of the money to buy Units in the fund or funds You have chosen to switch to.

3. TAKING AN INCOME

You can take a regular income from your Plan. The maximum regular income You can take is 7.5% of your total payments into the Plan each year. The year runs from the anniversary of your Plan's start date. You can take an income every month, every three months, every six months or every year. If You want to change the amount or stop taking an income You need to write to us.

Your regular income payments have to be for at least the minimum income amount of £50 each month (£150 every three months, £300 every six months and £600 each year).

We may change the maximum amount You can take as a regular income from your Plan or the minimum regular payment amount You can take. We will give You reasonable notice if we change either of these conditions.

We pay the income in arrears. For example, if You choose to take an income every three months, your first payment will be paid three months after You asked us to start paying an income.

We cash in Units in your Plan to pay the income. When your Plan is invested in more than one fund, we cash in the Units in proportion to the value of the Units You hold in each fund.

We cash in Units using the Unit price which applies on the working day we cash them in.

We may apply an MVR if You cash in Life With Profits Fund Units when taking a regular income. We will not do so if You opened your Plan before 1 July 2018.

4. PAYING MORE MONEY INTO YOUR PLAN

You can pay more money into your Plan at any time, as long as the amount is at least our minimum amount at that time.

This money can be invested in any of the funds we have available at the time.

Any extra money You put into your Plan can be invested in a different fund or funds from your original investment.

We calculate the number of Units to be allocated in the following way:

- ▶ First we determine the amount of money used to buy Units (the investment content). This is calculated by multiplying the amount of your payment by the Allocation rate. We will confirm the Allocation rate that applies to your additional payment at the time it is made.
- ▶ Next we determine the number of Units which will be allocated to your Plan. This is calculated by dividing the investment content by the Unit price which applies on the next working day after we receive your payment.

If You choose to take a regular income from any additional money You pay in, it must be taken at the same frequency as any regular income taken from your initial investment.

5. CASHING IN YOUR PLAN

You can cash in all the Units in your Plan at any time.

This will end your Plan. You must write and tell us that You want to do this. You will need to send us the Schedule, any Endorsements and proof of ownership.

If You cash in the whole of your Plan, You will receive the Plan value which applies the next working day after we receive your instruction (and necessary documentation). If any part of your Plan is invested in the Life With Profits Fund we may increase the value by adding a Final bonus or reduce the Plan value by applying an MVR.

6. CASHING IN PART OF YOUR PLAN

You must write and tell us if You want to cash in any part of your Plan.

You have to cash in at least the minimum cash-in amount which applies at the time. If You wish to keep your Plan open, You must keep in your Plan at least the minimum amount that applies at the time.

The current minimum amounts are shown in the Key Features Document which is available on our website at www.wesleyan.co.uk/savings-and-investments/plans/capital-investment-bond or You can ask us to send You a copy.

We may change these minimum amounts at any time. However, any changes would be reasonable and proportionate.

You can cash in part of your Plan in the following ways.

- ▶ You can cash in one or more of the segments in your Plan. In this case, we'll work out the value of those segments by multiplying the number of Units in them by the Unit price which applies the next working day after we receive your written instructions and supporting documents.
- ▶ You can cash in an equal amount of each of the segments in your Plan to give You the amount of money You want to take out. In this case, we'll work out the number of Units which You need to cash in and the number remaining, using the Unit price which applies the next working day after we receive your written instructions and supporting documents.

If any part of your Plan is invested in our Life With Profits Fund, we may increase the value by adding a Final bonus or reduce the value by applying an MVR.

7. PAYING OUT WHEN SOMEONE DIES

We will pay a lump sum (called Death Benefit) if the person whose life is covered by the Plan dies. If it's a joint Plan we'll pay out either when the first person dies or when both people have died, depending on your selection when You took out the Plan. This is shown on the Schedule.

Before we can pay death benefit, we need proof of death. Normally this will be the original death certificate. We will also need the Schedule. We may ask for other documents to establish who is legally entitled to the death benefit.

We calculate the death benefit as follows.

- ▶ We work out the value of the Units in your Plan using the Unit price which applies the next working day after we accept proof of death.
- ▶ If any part of your Plan is invested in the Life With Profits Fund, we may add a Final bonus, which will increase the value.
- ▶ We multiply the total amount by 101%.
- ▶ If You opened your Plan on or after 4 March 2021, we may also apply an MVR, which would reduce the value. If You opened your Plan before 4 March 2021, we will not apply an MVR in the event of death.

We only calculate death benefit on the current Units. We won't count any Units which have already been cashed in (see section 5).

We pay the death benefit to the person or people legally entitled to it.

8. CHANGES IN THE LAW OR TAXATION

This contract (as set out in these Terms and Conditions, the Schedule and any Endorsements) is based on how we understand current English law.

We may change the Terms and Conditions of this Plan or adjust the benefits if there are changes in:

- ▶ the law
- ▶ other regulation, or
- ▶ the taxation system which directly or indirectly affect this Plan.

Otherwise, we will only change the Terms and Conditions if we can't carry on with the Plan as it is because:

- ▶ it's no longer possible or practical, or
- ▶ it means that some of our Plan holders are not being treated fairly in our opinion.

We will tell You about these changes as soon as we can. We will make sure that any changes we make are reasonable and proportionate.

9. TRANSFERRING OWNERSHIP OF YOUR PLAN

If You transfer the legal ownership of this Plan to someone else (using an assignment) You need to write to us and let us know.

10. YOUR RIGHT TO CANCEL THE PLAN

You have the right to change your mind within 30 days following receipt of your Plan documentation. For further details please refer to the Key Features Document which You have been provided with.

11. THE LAW APPLICABLE TO THIS PLAN

The Plan is governed by the law of England.

12. MEMBERSHIP

This Plan entitles You to become a member of Wesleyan Assurance Society. As part of that membership, we shall contact You from time to time about the various benefits You are entitled to receive. You can read more about our membership by visiting the 'Mutuality & You' section of our website, www.wesleyan.co.uk/mutuality, or You can ask us to send this information to You.

13. MONEY LAUNDERING

To help protect against financial crime, including identity theft, we will verify your identity and postal address. We will need to see appropriate documentary evidence, or we may check your identity electronically using a credit reference agency. A search to verify your identity and address won't affect your credit rating.

14. PRIVACY NOTICE

The security of your personal data is very important to us and we will never sell your data to other companies. You can read more about how we protect your information and your rights by reading our privacy notice which is available upon request or via our website: www.wesleyan.co.uk/privacy.

15. CONFIDENTIALITY

When we are required by law, we will disclose any information we know about your financial affairs to any eligible authority (including the Financial Conduct Authority (FCA) but not limited to them). We will not be liable if we disclose information in good faith in line with this condition. You authorise us to give HM Revenue & Customs (HMRC) information which they ask us for about your Plan.

16. ASSOCIATES AND OTHER PARTIES

We may deal with or through associated companies when we get or dispose of investments for this Plan (even if these companies don't act as our principal or agent). We will carry these transactions out on a best execution basis. We do not have to account to You for any benefit we or our associates get from these transactions.

17. HOW TO CONTACT US

If You have any questions, please call us on 0345 351 2352.

Our lines are open from 9am to 5pm, Monday to Friday. Calls may be recorded to help us provide, monitor and improve our services to You.

Write to us at:
Wesleyan Assurance Society
Colmore Circus
Birmingham
B4 6AR

Visit our website at www.wesleyan.co.uk

18. HOW TO COMPLAIN

We do everything we can to make sure we always give You the best possible service. If You are unhappy with any part of the service we have given You, and wish to complain You can contact us in the following ways.

- ▶ Speak to our Customer Operations Team on 0800 092 1990. Our lines are open from 9am to 5pm, Monday to Friday.
- ▶ Complete the online contact form which can be found by visiting our website www.wesleyan.co.uk/contact/complaints
- ▶ Email the Complaints Team at complaints@wesleyan.co.uk. However, please avoid sending personal information by email as it is not a secure method of communication.
- ▶ Write to:
Complaints Team
Customer Operations – Birmingham
Wesleyan Assurance Society
Colmore Circus
Birmingham
B4 6AR

If, after receiving our response, you're still not happy, You can refer your complaint to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Phone: 0800 023 4567 or 0300 123 9 123
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

19. COMPENSATION

If we cannot meet our financial obligations to You, You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) under the Financial Services and Markets Act 2000. You can get details of the scheme from the FSCS at:

FSCS
PO Box 300
Mitcheldean
GL17 1DY

Phone: 0800 678 1100, or 020 7741 4100
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

We are all about you.

Since we were founded over 180 years ago, we have cherished our mutual status. It's an integral part of who we are and with no shareholders, our focus is on members and customers. We work to benefit those who invest in our business. Not only today, but also in the future.

It's why 'we are all about you'.

A guide to the many ways in which the Wesleyan Group of companies can help you to plan, prioritise and secure your financial future.

For you



Savings & Investments



Mortgages



Retirement Planning



Insurance



Life & Income Protection

For your business



Finance & Funding



Premises Insurance



Equipment Insurance



Personal Protection

For more information about the Wesleyan Group of companies, visit wesleyan.co.uk/ourcompanies

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Investment team
of the year – Re/insurer

'WESLEYAN' is a trading name of the Wesleyan Group of companies.

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