

KEY FEATURES OF THE PORTFOLIO BOND (IPS).

For additional investments into existing contracts only

This is an **important document**.
Please keep it safe for future reference.

ABOUT US.

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 30 June 2017, the total value of assets across the group was £951.1 billion, including derivative assets. We also had over 9.5 million customers in the UK for our life assurance, pensions, investments and general insurance plans.

WHAT ARE KEY FEATURES?

The Financial Conduct Authority is a financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide if making an **additional investment** into your Portfolio Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

USING THIS DOCUMENT

We've tried to use plain language to keep the **Key Features** easy to understand. You'll find explanations of any technical terms we use in the glossary on page 11 of this document. Whenever terms covered in the glossary appear in the main text, we've highlighted them in **blue**.

OTHER DOCUMENTS

You should read this document alongside the other documents your adviser will give you:

- Your **Illustration**.
- The **Funds key features**, which explains the basics of investing in **funds** and the important things you need to know about them.

You can also ask your adviser for the **Product Guide**, which contains the terms and conditions that apply to your **additional investment**. We'll send this to you once your **additional investment** has started.

FINDING OUT MORE



This icon appears when more detailed information is available elsewhere. If you'd like to see any of the other documents we mention before making your **additional investment**, please ask us or your adviser.

KEY FEATURES OF THE PORTFOLIO BOND (IPS).

FOR ADDITIONAL INVESTMENTS INTO EXISTING CONTRACTS ONLY

ITS AIMS

- To grow your investment over five years and more.
- To give you the option of taking an **income**.

YOUR INVESTMENT

- You make an **additional investment** of at least £5,000.
- There's no fixed term but you should consider this as a medium to long-term investment, be prepared to invest for at least five years, and ideally not tie yourself to a particular end date.

RISKS

GENERAL

- The value of your **additional investment** can fall as well as rise, so you could get back less than you invest.
- You might get back less than is shown in your **Illustration** if:
 - the **funds** you invest in grow at a lower rate,
 - the charges are higher,
 - you move your investment into other **funds** with higher charges, or
 - you take more money out.
- If you choose to cancel your **additional investment** in the first 30 days, and there has been a fall in the value of your investment, you may get back less than you invested.

FUND RISKS

- There are specific risks relating to the **funds** you can invest in. Those applying to your chosen **funds** are set out in the accompanying **Funds key features**.



The Money Advice Service provides free and independent information about investments. You can find out more about investment risk at moneyadviceservice.org.uk/en/categories/how-to-invest-money

QUESTIONS AND ANSWERS.

This section answers some important questions about making an additional investment into your Portfolio Bond to give you a better idea of how it works and the options available to you.

WHAT DO YOU DO WITH MY MONEY?

- We invest your money in the **funds** you've chosen with your adviser.
- The **funds** may be managed by us or an **external fund manager**.
- Each **fund** is divided into **units** of equal value and shared out among all of the investors in that **fund**. Your share of a **fund** is the number of **units** we buy for you.
- The number of **units** we buy depends on how much you invest, your **allocation rate** and the **unit price** when we buy the **units**.
- Your **bond** consists of a series of identical contracts called **policies**. Your **units** are held in these **policies** to give you choices as to how you take money out.
- We'll set up your **additional investment** with the same lives assured and **policyholders** as those named on your **bond**.

NOTES

- The value of your **bond** is based on the number of **units** you hold in a **fund** and the **unit price** applicable to those **units**.
- One of the people named as a **life assured** on your **bond** must be aged 89 or less at the time you make your **additional investment**.

i For a full list of the **funds** available, please see the **Funds key features**.

Your **Illustration** shows your chosen **funds** and the **allocation rate** we'll use to buy your **units**.

For more details of **units**, **unit prices** and **allocation rates**, please see the **Product Guide**.

For details of how we manage our **funds** and calculate **unit prices**, please ask for a copy of our **A guide to how we manage our unit-linked funds**.

WHAT ALLOCATION RATE WILL YOU APPLY TO MY ADDITIONAL INVESTMENT?

- Your **allocation rate** is the percentage of your **additional investment** we use to buy **units**. The percentage depends on a number of things including:
 - the amount of your **additional investment**,
 - the total amount you have previously invested in your **bond**, minus any amounts you have cashed in, and
 - the age of the youngest **life assured**.

WHAT FLEXIBILITY IS THERE AFTER I INVEST?

- You can:
 - keep your **additional investment** for as long as you like,
 - cash in all or part of it at any time,
 - switch your money between **funds**,
 - use the **additional investment** to provide you with an **income**, with the flexibility to alter it if your needs change,
 - add further **additional investments** in the future.

i For more details of the flexibility of your **additional investment**, limits and charges, please see the **Product Guide**.

WHAT MIGHT I GET BACK?

- Your accompanying **Illustration** gives you a guide to what you might get back and shows the effect of charges.
- The amount you actually get back when you cash in your **additional investment** will depend on:
 - the performance of the **assets** in the **funds** that you and your adviser have selected,
 - how much money you've taken out previously,
 - the charges paid on your **bond**.

See the section headed **What are the charges?** starting on page 6 for more information about charges.

- If you choose to take an **income**, the amount you receive could go up or down and will affect the amount remaining invested.

NOTES

- We'll show your **allocation rate** in your **Illustration**.

NOTES

- Some **funds** have higher charges than others, so if you switch to another **fund**, you may be charged more.
- You can add to your **bond** in the future provided our investment terms at that time allow it.
- The terms that apply to each **additional investment** may be different each time you make an **additional investment**. We'll give you a new **Product Guide** with details of the terms at that time.
- There's currently a maximum of five additions over the term of your **bond**.

NOTES

- Remember that unless the growth of any investment meets or exceeds the rate of inflation, its real value will reduce.

HOW CAN I TAKE MONEY OUT?

- You have three options. You can:
 - cash in part of your investment,
 - cash in all of your investment,
 - take an **income** in a variety of ways, which may be tax efficient.

i For more details on how you can take money from your **bond**, the options available and conditions that apply, please see the **Product Guide**.

WHAT HAPPENS IF I DIE?

- It depends on whose name you set your **bond** up in.
 - If your **bond** is set up in your name only, it ends.
 - If you set up your **bond** in the name of more than one person, it ends on the death of the last **life assured** to die.
- When the **bond** ends, we pay out 102% of the full value of **units** if it's in the first 10 years of your investment, 101% thereafter.

WHAT ARE THE CHARGES?

- Charges are made to cover the various costs involved in setting up and managing your **additional investment** such as:
 - the day to day management of your chosen **funds**,
 - administration,
 - the costs of buying and selling **assets**.
- From 1 February 2018, **additional investments** will be made using different charges to your existing investments. All of the potential charges are outlined below and on page 7. The charges that apply to your **additional investment**, and the effect of them, are shown in your **Illustration**.
- Charges for your existing investments will remain unchanged so an early surrender charge may still apply to part of your **bond**. You can find out if an early surrender charge applies to any investments made before 1 February 2018 by checking the **Schedule** we sent you for each of those investments, or you can contact us using the details on page 8.

i For more details of the charges that apply to any investments made before 1 February 2018, please see the **Product Guide** we sent to you shortly after we set up those investments.

ANNUAL FUND CHARGE

- The annual fund charge covers our costs and, where you choose an **external fund**, that company's costs for managing the **fund** as well. The charge varies by **fund**. Your **Illustration** shows the current charge for your chosen **funds**.
- Additional expenses are incurred when managing a **fund**. The additional expenses are taken into account in your **Illustration**.

i There are a number of ways you can find out the current annual fund charge for all **funds**. You can:

- Go to our website at legalandgeneral.com/existing-customers/investment-bonds-support/life-fund-prices-and-distribution-rates/
- Ask your adviser for the most recent version of our **Funds key features**.
- Call us using the details shown in the **How can I contact you?** section on page 8.

NOTES

- Annual fund charges and additional expenses are reviewed regularly and can change at any time.
- We'll tell you what the current annual fund charge is for the **funds** you're invested in at least once a year.
- The annual fund charge is taken into account when calculating the **unit price** of each **fund** so you'll not see a specific deduction from your **bond** for this charge.

INITIAL CHARGE

- There's an initial charge which is shown on the first page of your [Illustration](#).

SWITCH CHARGE

- We don't normally make any charge for a [fund](#) switch. However, we reserve the right to make a charge if you switch more than 10 times in a calendar month.

i For more details about any of the above charges and how they might apply, please see the **Product Guide** we will send to you once your [additional investment](#) has started. You can also get a copy from your adviser.

WHAT ABOUT TAX?

- The [funds](#) are subject to tax on investment income received and on capital gains. We pay this tax and you cannot reclaim it.
- When you take money from your [bond](#) it's free of any personal liability to income tax at the basic rate. It's also free of capital gains tax.
- You may have to pay some income tax if:
 - you take money from your [bond](#) above certain limits or you cash in any of your [bond](#) whilst you're a higher or additional rate tax payer,
 - you become a higher or additional rate tax payer due to the money you receive from your [bond](#).

If you are, or become, a higher rate tax payer and some of your Personal Savings Allowance (PSA) remains unused, this can be set against your gain.

i For more details on the Personal Savings Allowance, please visit [gov.uk/government/publications/personal-savings-allowance-factsheet/personal-savings-allowance](https://www.gov.uk/government/publications/personal-savings-allowance-factsheet/personal-savings-allowance)

- If you die, the people who inherit your [bond](#) may have to pay some income tax. They may also have to pay inheritance tax, although you can help to reduce this amount or avoid it completely by putting your [bond](#) into a [trust](#). Your adviser will be able to help you to do this if it's appropriate for you.
- If you're eligible for any age allowance, working tax credit or child tax credit, your allowance may be reduced if you take money out. This could increase your tax bill.

It's possible to take money from your [bond](#) in a tax-efficient way. How much tax you pay on the money you take out of your [bond](#) depends on your individual circumstances. Your adviser will be able to provide you with advice on the best way to take money out.

i Before you take money from your [bond](#) or talk to your adviser about it, we suggest you read the **Product Guide** for more details of the tax treatment of your [bond](#).

NOTES

- This tax information is given based on our understanding of current tax law relating to life assurance contracts. Tax law may change in the future.
- Tax treatment depends on individual circumstances and may be subject to change in the future.

CAN I CHANGE MY MIND?

- Yes, we'll send you a cancellation form after you invest. If you change your mind about making your **additional investment**, complete the form and send it to the address in the **How can I contact you?** section below, within 30 days of receiving it.
- If you change your mind within 30 days, you won't get back more than your **additional investment** into your **bond**. If there's been a fall in the investment value of the **additional investment**, your refund will reflect this.
- After 30 days you can't cancel your **additional investment** but you can cash it in. Please note your money will be subject to the risks described in the **Risks** section on page 3.



For more details of how we calculate the amount we refund, please see the **Product Guide**.

HOW DO I FIND OUT HOW MY ADDITIONAL INVESTMENT IS DOING?

- The value of your **additional investment** will be included in the value of your **bond**.
- We'll send you a statement with the value of your **bond** at least once a year.
- You can ask for a valuation or additional statements from us at any time.
- To work out the value of your **bond** simply multiply the number of **units** you hold in each **fund** by the **unit price**. Please note this may not be the cash in value if an early surrender charge applies to any investments made before 1 February 2018, as explained in the **What are the charges?** section starting on page 6.



You can check the value of your **bond** yourself by looking up the **unit price** for each **fund** at legalandgeneral.com/existing-customers/investment-bonds-support/life-fund-prices-and-distribution-rates/ or call us on the number shown below.

HOW CAN I CONTACT YOU?

Your adviser will normally be able to help you with any questions you have about your **additional investment** that are not answered in these **Key Features** or the **Product Guide**.

If you'd like to ask us anything, please do. You can contact us using any of the following:



Call us on 0345 071 0069. Call charges will vary. We may record and monitor calls.



Email our helpdesk: customer.response@legalandgeneral.com

If you're contacting us by email please remember not to send any personal, financial or banking information because email is not a secure method of communication.



Write to us at:

Legal & General
Document Control Centre
PO Box 1112
Chelmsford
CM99 2XY

OTHER INFORMATION.

LAW AND LANGUAGE

The contract you enter into with us is governed by English Law. All customer communications are only available in English. All communications from us will normally be by letter or telephone.

OUR REGULATOR

Legal & General Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We're entered on the Financial Services Register under number 117659. You can check this at [fca.org.uk/firms/systems-reporting/register](https://www.fca.org.uk/firms/systems-reporting/register) or you can call **0800 111 6768**.

UK RESIDENCY

The **bond** is designed for **policyholders** who are UK residents. You should speak to your adviser to confirm if the **bond** is still suitable for you if you:

- are currently a non-UK resident or become a non-UK resident after you invest, or
- are subject to tax in another country or become subject to tax in another country after you invest.

COMPENSATION SCHEME

We're covered by the Financial Services Compensation Scheme ('the scheme'). You may be entitled to compensation from the scheme if we can't meet our financial obligations. This depends on the type of business and the circumstances of the claim.

Currently 100% of the value of the valid claim is covered by the scheme. There is no upper financial limit on the claim.

It's important to understand that if you choose to invest in an **external fund**, your investment will actually be held in a Legal & General life **fund**, not directly in the **external fund**. This means if you invest in an **external fund** and the company managing the **fund** is unable to meet its obligations, you don't have the right to take action or seek compensation from that other company.

In addition, our rights to recover losses caused by breaches by a company managing an **external fund** may not be as extensive as your rights would be if you invested directly in the **external fund**.



You can get more information about the scheme at [fscs.org.uk](https://www.fscs.org.uk)

HOW TO COMPLAIN

If you'd like to complain about any aspect of our service, or would like us to send you a copy of our internal complaint handling process, please contact us. Our details can be found in the **How can I contact you?** section on page 8.

Any complaints we can't settle can be referred to:



The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Making a complaint will not affect your legal rights.



0800 023 4567
0300 123 9123



complaint.info@financial-ombudsman.org.uk or visit
financial-ombudsman.org.uk

CUSTOMER CATEGORY

There are various categories of client set out in the financial regulations. If you buy this Legal & General product, we will treat you as a 'retail client'. Being a retail client gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If, under the regulations, you are a professional client or eligible counterparty, we will still treat you as a retail client although this would not necessarily mean that you would be eligible to refer any complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

CONFLICTS OF INTEREST

During the term of your investment, conflicts of interest may arise between you and us, our employees, our associated companies or our representatives.

A conflict of interest is where our duties to you as a customer may conflict with what's best for ourselves. To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

A copy of the policy is available on request from the address shown in the **How can I contact you?** section on page 8.



REMEMBER, IF YOU'RE UNSURE ABOUT ANYTHING, PLEASE ASK.

While we do everything we can to keep our products simple and explain them clearly, we recognise that there is a lot to understand. If you have any questions at all about the **bond**, please ask your adviser or contact us using the details on page 8.

GLOSSARY.

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|-------------------------------|---|
| Additional investment | A further lump sum investment into your existing bond . |
| Allocation rate | The percentage of your money that's used to buy units . |
| Assets | The investments that make up a fund . For example, shares or cash. |
| Bond | Our Portfolio Bond is a lump sum life assurance contract used for investment purposes. |
| External fund or funds | A fund managed by a company other than us. |
| External fund manager | A fund manager other than us. |
| Fund or funds | A collection of assets that the bond can be invested in. These assets may be managed by us or other investment management companies. Where we refer to 'fund' in this document it can mean fund or funds. |
| Illustration | A document that forms part of these Key Features that provides a guide to how much you might get back from your investment. It's based on a number of example investment growth rates and reflects the charges you may pay over the time you're invested. It assumes that charges will remain at their current level and your fund selection and any income remain unaltered throughout the term of your bond . |
| Income | Where income is used in this document we're referring to regular payments made from your bond that are used to provide you with an income. |
| Life assured | The person, or persons, on whose life your bond depends, as described in the Product Guide . |
| Policies | A series of identical insurance contracts. Each policy has its own unique number and can be individually recognised. As a group, the policies make up the bond . |
| Policyholder | The legal owner, or owners, of your bond . |
| Trust | A legal arrangement that allows investments or property to be held for the benefit of someone else without giving them full control of it. |
| Units | A unit is a share of a fund . Each fund is split into a series of units. The number of units you hold is your share of the fund . |
| Unit price or prices | A price calculated each working day that is used to value units . |
| Working day | Any day from Monday to Friday inclusive, excluding English public holidays. |



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Legal & General Assurance Society Limited

Registered in England and Wales No. 00166055

Registered office: One Coleman Street, London EC2R 5AA

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Financial Conduct Authority and the Prudential Regulation Authority.

W13775 02/18 190591 P726