

International Bond

Key Features

LONDON & COLONIAL

The Gibraltar Financial Services Commission ('GFSC') is the independent financial services regulator for Gibraltar. They require us, London & Colonial Assurance PCC Plc ('LCA'), to give you important information to help you decide whether the International Bond ('IB') is right for you.

Together with this IB Key Features Document ('KFD'), you will also receive a Key Information Document ('KID') and a Personal Illustration which show how the IB may work for you. This is for illustrative, purposes only and is not intended to show a forecast, projection, or guarantee of investment illustrative purposes only performance by LCA.

You should carefully read this KFD, the Personal Illustration, and the KID so that you understand the product, its benefits, and risks. We recommend that you seek professional advice before you make any decisions about this product. Please keep these documents in a safe place for future reference.

Aims

The aims of the IB are:

- to give you the opportunity to invest in a wide range of investments to meet your investment needs
- to allow the potential for long term tax efficient capital growth
- to reduce your potential UK IHT liability
- to provide you with an income during your lifetime, or until the value of the bond reduces to zero
- to allow you to benefit from tax deferral on income taken, where applicable under the terms of an appropriate trust, to allow your IB assets to be lifted out of your estate and go directly to beneficiaries.

Your Commitment

- To satisfy yourself that you have fully understood the features and risks of the IB.
- To invest an initial premium of at least GBP 50,000, EUR 60,000, or USD 70,000 into an IB and to commit to an investment term of at least seven years.
- To regularly review your circumstances with your Financial Adviser so that your IB continues to meet your needs.
- To keep us informed of any changes of address or contact details so that we can remain in contact with you

Risks

- Other than at the maturity date for the Capital Redemption basis, the ongoing value of your IB is not guaranteed and can fall as well as rise. The actual value of your IB will depend upon the performance of the underlying investments which you and your Financial Adviser and/or Investment Adviser have chosen. The past performance of your choice of investments is not a guide to their future performance. This means you may get back less than you invested or less than the amount shown in your Personal Illustration. LCA is not responsible for the performance or solvency of the investments selected by your Financial Adviser, Investment Adviser, Investment Manager and/or Discretionary Fund Manager.
- If you invoke your right to cancel your IB within 30 days, you may get back less than you invested.
- If you choose to surrender or part-surrender (also known as encashment or 'to encash') your IB after 30 days, you will get back the value of the underlying assets of your IB less any applicable charges and fees. Depending on the future return from the assets, if you encash your IB, you may get back less than you invested. If you make regular withdrawals which exceed the growth of your assets, the value of your IB will fall.
- If you withdraw more from your IB than originally planned, the value of your IB may be less than indicated in your Personal Illustration.
- The investments in your IB can be denominated in Sterling ('GBP'), Euro ('EUR'), or US Dollars ('USD'). Where an asset allocated to your IB is denominated in a currency other than your chosen denomination, changes in the rate of exchange may cause the value of the investment to fall as well as rise.
- If your IB holds an investment for which there is no recognised and liquid market, it may be difficult to deal in that investment or to obtain a reliable valuation or information about the risks to which it may be exposed. If LCA, as Administrators of the IB, is unable to dispose of such an asset for any reason, it may, at its discretion, transfer that asset to you or to your nominee and treat it as either a partial or full encashment of the IB, depending on its value compared to the total value of the IB at the time of transfer.
- LCA reserves the right to dispose of any asset which has become valueless or becomes, directly or indirectly, contrary to its normal investment philosophy or becomes an investment, directly or indirectly, in a company whose activities are regarded by LCA as being illegal, unethical, or of a nature that may be detrimental to LCA's and Gibraltar's reputation. The costs of selling such an asset will be charged to your IB. LCA will not incur any liability as a result of exercising this right.
- Tax legislation and insurance regulation could change in the future, which may affect the future tax treatment of your IB.

Questions and Answers

1. WHAT IS THE LCA IB?

The LCA IB is issued as a group of identical single premium investment linked life assurance policies ('Policies').

The following two versions are available at the start of your IB and once chosen the version may not be changed:

The Life Assurance basis allows the IB holder to identify multiple Lives Assured for the IB. This version of the IB terminates on the death of the last Life Assured. At least one, or up to six individuals, must be nominated as a Life Assured. Where there is only one Life Assured, the IB ends on their death (unless it is fully surrendered before their death). Where there are multiple Lives Assured the IB ends on the death of the last surviving Life Assured. In the event of a death claim, we pay the value of the IB at the time of notification of the death of the last surviving Life Assured, plus an additional amount equal to 1% (up to a maximum of GBP 250, EUR 300, or USD 350).

The Capital Redemption basis is ideal for trustees. The IB has no Lives Assured and so will not come to an end on someone's death. Instead, the IB has a fixed term of 99 years (although it can be fully surrendered at any time before maturity). At the maturity date, we will pay the value of the in-force Policies (less any outstanding charges and fees) plus an additional payment of 1% of the current value (up to a maximum of GBP 250, EUR 300, or USD 350).

2. WHO CAN PURCHASE AN IB?

The IB is available to:

- UK resident individuals who are aged 18 or over at the start of the IB;
- UK trusts;

3. WHO IS THE IB SUITABLE FOR?

For individuals and/or trustees and/or companies who meet the following criteria:

- are resident in the UK
- have GBP 50,000, EUR 60,000, or USD 70,000 or more to invest
- are prepared to accept a degree of investment risk
- are seeking the potential for capital growth, a regular income stream or a combination of both for a period of at least seven years
- have already considered and/or utilised other tax-free investments/savings, such as an Individual Savings Account ('ISA').

4. WHO IS THE IB NOT SUITABLE FOR?

For individuals and/or trustees and/or companies who:

- are not UK resident
- are under 18 years of age when applying for an IB (applies to individuals and/or trustees only)
- have less than GBP 50,000, EUR 60,000, or USD 70,000 to invest
- are looking for a short-term investment period and are likely to fully encash their IB within seven years
- are not prepared to take any investment risk, or want a guaranteed return in the short-term have no other savings or investments.

5. HOW MUCH CAN I INVEST?

The minimum amount you can invest to purchase an LCA IB is GBP 50,000, EUR 60,000, or USD 70,000 and there is no upper limit.

6. CAN I ADD ADDITIONAL INVESTMENTS?

Yes, additional investments, or 'top-ups', can be paid into your IB at any time. The minimum additional investment is GBP 5,000, EUR 6,000, or USD 7,000; there is no maximum limit. There are no limits to the number of additional investments you can pay in over the lifetime of your IB.

Each additional investment will have its own 5% Tax Deferred Allowance for a maximum of 20 years. See Question 19 *What taxes are applicable?* to understand more about the 5% Tax Deferred Allowance and applicable taxes.

Questions and Answers (continued)

7. HOW FLEXIBLE IS THE IB?

You can apply for an IB by completing an Application Form in your sole name or in the names of up to a maximum of four persons (the 'applicants'). If you are applying on the Life Assurance basis, the applicants and the Lives Assured can be different individuals.

The minimum amount you can invest is GBP 50,000, EUR 60,000, or USD 70,000 and there is no maximum amount. You can add extra amounts of GBP 5,000, EUR 6,000, or USD 7,000 at any time.

The IB can be denominated in GBP, EUR, or USD. Once you have selected a Policy Currency in your Application Form, all premiums must be paid in that Policy Currency.

The IB is made up of a group of identical policies, which can be individually surrendered , assigned or placed into trust. You can select the number of identical policies at the start of the IB. The minimum number of identical policies is 500, with a maximum of 99,999. Where you do not specify the number of identical policies, the IB will be issued with 500 identical policies. This number of identical policies cannot be changed once the IB is live.

You can change your underlying investments whenever you want. You can withdraw money from your IB at any time, but there are limits on how much you can take out and how much should be left in the IB.

8. WHO CAN MAKE INVESTMENT DECISIONS ON THE IB?

Before investing in an IB, we recommend you seek investment advice on the most suitable investments for you, and then on a regular basis afterwards.

You can choose to manage your investments:

- with your Financial Adviser
- with a suitably qualified Investment Adviser
- through one or more Discretionary Fund Managers

Investment Adviser and Discretionary Fund Manager ('DFM') details and their charges will be available from your Financial Adviser.

Based on your investment strategy, your Investment Adviser and you can invest in a wide range of investments. Please refer to our Statement of Investment Principles ('SOIP') document for more information.

LCA reserves the right to sell any asset which:

- has become valueless,
- is directly or indirectly, contrary to its normal investment philosophy, or
- is an investment, directly or indirectly, in a company whose activities are regarded by it as being illegal, unethical or of a nature that may be detrimental to Gibraltar's reputation.

LCA will not incur any liability as a result of having to sell any asset.

9. WHY USE A TRUST?

A trust is designed to help reduce your potential UK Inheritance Tax ('IHT') liability by separating your investment in the IB from your estate. All trusts must be registered with HM Revenue and Customs ('HMRC') by the individual(s) setting up the trust. The appointed trustees would manage the trust for the benefit of the beneficiaries and have the authority to invest the IB as if they were the owners.

We offer two types of trust, a Discretionary Trust and an Absolute Trust. Simply, a Discretionary Trust allows your trustees to decide who benefits from the IB (from a list of beneficiaries), whereas with an Absolute Trust you can name your beneficiaries at the start.

10. CAN I MAKE WITHDRAWALS FROM MY IB?

Yes, there are several options when withdrawing money from your IB. Please be aware that taking money from your IB may have tax implications and we recommend that you seek advice before taking any action. Please refer to question 19. *What taxes are applicable?* for further information.

There is no charge for making withdrawals from your IB. There may be an Investment Transaction Fee by your Investment Manager for the sale of a relevant asset.

Questions and Answers (continued)

10. CAN I MAKE WITHDRAWALS FROM MY IB? (CONTINUED)

Making withdrawals, encashing or fully surrendering your IB may have specific tax consequences for UK residents and UK taxpayers and we strongly recommend that you seek advice from your Financial Adviser before proceeding, to fully understand the implications of your actions. The different ways of withdrawing funds from your IB are as follows:

1. **Regular withdrawals** – You can withdraw regular amounts from your IB to provide you with regular payments. We can make the payments monthly, quarterly, half-yearly or yearly. Regular withdrawals will always be taken equally across the remaining Policies in your IB. The minimum amount for each regular withdrawal is:

	GBP	EUR	USD
Monthly	100	120	140
Quarterly	300	360	420
Half-yearly	600	720	840
Yearly	1,200	1,440	1,680

   A 5% Tax Deferred Allowance is permitted without an immediate tax liability per year for a maximum of 20 years. Each additional premium has its own 5% Tax Deferred Allowance for a maximum of 20 years.

   Withdrawals may or may not be taken each year. You may decide to take no withdrawals for one or more years. If no withdrawals are taken, then the yearly 5% Tax Deferred Allowance is accumulated until they are taken.

   For more information on the 5% Tax Deferred Allowance, please see Question 19 *What taxes are applicable*?

2. **One-off withdrawals** – You can take a one-off withdrawal from your IB at any time. The minimum amount for one-off withdrawals is GBP 1,200, EUR 1,440, or USD 1,680. A one-off withdrawal will be taken equally across the remaining Policies in your IB. The 5% Tax Deferred Allowance applies to one-off withdrawals also.
3. **Surrenders or encashment** – You may fully surrender your IB at any time. You may also part-surrender, or encash some of the individual Policies at any time. However, we will deduct any outstanding charges and fees from the amount returned to you.

It is important to seek tax advice before fully or partially surrendering your IB as this may be a chargeable event and tax may become payable.

11. MAKING WITHDRAWALS FROM YOUR IB TO PAY YOUR FINANCIAL ADVISER AND/OR YOUR INVESTMENT ADVISER?

You can pay charges to your Financial Adviser or your Investment Adviser, directly from your IB:

- **Adviser Fees** – We can pay an initial adviser fee from your investment before or after it is applied to your IB, and you can ask us to deduct single or ongoing adviser fees at any time. In all instances where we make payments from your IB to your Financial Adviser, these payments count towards your 5% Tax Deferred Allowance (please see Question '19. *What taxes are applicable*?' for more details).
- **Investment Adviser Fees** – If an Investment Adviser is appointed, we can deduct their fees from your IB. Investment Adviser Fees do not count towards your 5% Tax Deferred Allowance. Please see Question 19. *What taxes are applicable*? for more details.

12. IS THE VALUE OF THE IB GUARANTEED?

If you have chosen the Capital Redemption basis, we guarantee to pay the value of the IB as at the maturity date. We will also pay an additional 1% of the value of the IB as at the maturity date (up to a maximum of GBP 250, EUR 300, USD 350). This additional percentage amount is only payable on the maturity date, 99 years after the start of your IB.

In all other instances, the value of your IB is not guaranteed; this means the value can fall as well as rise and you may get less back than you initially invested.

Questions and Answers (continued)

13. WHAT HAPPENS TO MY IB IF I DIE BEFORE IT IS FULLY SURRENDED?

If you have chosen the Capital Redemption basis for your IB, there are no Lives Assured. This means that in the event of your death, your IB continues and passes to any surviving policyholder(s) or to your personal representatives. If your IB is held in trust, the trustees will continue to own it.

If you have chosen the Life Assurance basis and you are the only Life Assured, then the IB comes to an end on your death and we will pay the death benefit to the claimants (who could be any surviving policyholder(s), trustee(s) - if your IB is held in trust, or your personal representatives) on receipt of all necessary documentation. If there is more than one Life Assured, your IB can continue until the death of the last Life Assured. The death benefit payable is your IB value as at the date of death, less any outstanding charges and fees, plus an additional payment of 1% of the current value as at the date of death (up to a maximum of GBP 250, EUR 300, or USD 350).

14. HOW IS A DEATH CLAIM MADE?

If your IB is set-up on the Life Assurance basis, the claimants should contact your Financial Adviser or our Customer Team using the contact details provided in this document. We will advise them what information and documentation we require to process the claim. We will pay the death benefit when all the underlying assets have been settled and all the required documentation has been received by us. See Question 13 *What happens to my IB if I die before it is fully surrended?* for information about the death benefit.

15. CAN I ASSIGN MY IB TO SOMEONE ELSE?

Yes, you can assign individual Policies or all of the Policies that make up your IB to a new owner(s). Assignments can trigger a chargeable event, therefore, it is important that you discuss with your Financial Adviser beforehand to understand the tax implications of assigning Policies. You will need to request a Deed of Assignment and restrictions may apply.

16. WHAT ARE THE CHARGES FOR?

There are a number of different charges and fees that may be deducted from your IB. Your Personal Illustration will show how they will affect your IB based on the amount you invest, and example growth rates. It will also detail any agreed Financial Adviser fees you have asked us to pay on your behalf.

Establishment Charge

The Establishment Charge applies for the lifetime of your IB and will also apply to any future additional investments.

The Establishment Charge is a one-off up-front percentage charge of the total initial investment.

The amount is deducted as a single fixed amount from your investment at outset. The Establishment Charge is capped at a maximum rate shown in the latest Charges and Fees document. This cap applies for the lifetime of the IB.

Any additional investments, or top-ups, will incur a separate Establishment Charge but will be subject to the maximum Establishment Charge cap.

Quarterly Administration Charge ('QAC')

An ongoing QAC will be deducted for administering your IB. The first QAC will be deducted in full at the end of the first quarter and quarterly in arrears thereafter. Please refer to the Charges and Fees document for the latest QAC amounts.

The QAC may be increased in the future and any increase will be based on the rate of inflation in Gibraltar (the Index of Retail Prices ('IRP')). Any change to the QAC will be effective from 1 January and will be based on the IRP as at 1st July (of the previous year).

Any future increases will be published on our website.

Surrender and Encashment Charges

Whilst there is no surrender charge if you fully surrender your IB or encash your IB by fully surrendering some of the Policies, any outstanding QAC will be deducted from the surrender or encashment payment.

Investment transaction fee

There are no Investment Transaction Fees for the IB.

Questions and Answers (continued)

17. WHERE MAY I FIND THE CHARGES FOR MY IB?

The product charges and fees are shown in the IB Charges and Fees document and the Personal Illustration that will be sent to you. The ongoing QAC is subject to review and any increase will be based on the IRP. Any future increases will be published on our website.

18. WHAT IF MY COUNTRY OF RESIDENCE CHANGES?

Your Personal Illustration is based on your present country of residence - the UK. If you become resident in a different country after your IB is set-up, please tell us immediately. If you intend to move permanently to another country, we strongly recommend that you seek independent financial and tax advice before making the move so you can fully understand how the move will affect the way your IB is treated in your new country. We will endeavour to continue to administer your IB without any changes, but there may be countries, such as the United States of America, in which we are prohibited from conducting business. If you move to such a country, you may no longer be able to pay any additional investments into your IB or switch existing investments.

19. WHAT TAXES ARE APPLICABLE?

This document assumes you are UK resident and domiciled in the UK for taxation purposes. If you are in any doubt about your tax status you should consult your Financial Adviser.

Corporation Tax and Capital Gains Tax

As a Gibraltar-based company, we pay no corporation tax or Capital Gains Tax ('CGT') on the capital growth or income on investments held on behalf of our policyholders. As such, any investment gains made in these funds from switching the underlying investments are allowed to grow free of these taxes. But please note that some funds pay tax at source which cannot be reclaimed; this is known as "Withholding Tax".

By contrast, UK life assurance funds have to pay corporation tax at a rate of 20% on both income and gains.

Please note that any benefits taken from the IB are not subject to CGT but may be subject to income Tax.

Income Tax

If you are resident in the UK for tax purposes you may have a personal income tax liability when benefits are taken from your IB. Taking these benefits is known as a "chargeable event" and if a chargeable gain occurs, paying income tax will depend on your individual circumstances. A chargeable event may occur:

- Death of last Lives Assured: If your IB is written on a Life Assurance basis and the death benefit becomes payable
- Maturity: If your IB is written on a Capital Redemption basis and the maturity value is paid
- Assignment: If your IB or any of the individual Policies within it are assigned or ownership is transferred for money or money's worth. Assignments by way of gifts are exempt.
- Full surrender: If your IB or any of the individual Policies held within it are fully surrendered
- Withdrawals greater than 5%: If you make withdrawals that exceed the 5% Tax Deferred Allowance.

Top-slicing relief may be something to discuss with your Financial Adviser if you suffer extra tax being charged in a single year on gains accrued over a longer period of time. Top-slicing relief is the process of allowing chargeable gains to be spread over the number of complete years that the IB has been in force.

It is important that you seek advice from your Financial Adviser regarding top-slicing relief and any other tax concerns you have.

5% Tax Deferred Allowance

You can withdraw up to 5% of your investment amount each year for up to 20 years without any immediate liability to income tax. This is known as the 5% Tax Deferred Allowance. If you do not take all of your 5% allowance in any policy year, the unused amount is carried forward for use in future years, including years beyond Year 20.

If you withdraw more than 5% of the investment amount each year, the excess will be classed as a chargeable gain which may be liable to income tax.

Any Financial Adviser fee deductions from your IB will count towards your 5% Tax Deferred Allowance and may have tax implications. It is important that you discuss these with your Financial Adviser.

Any fund adviser or DFM charges do not count towards your 5% Tax Deferred Allowance.

Questions and Answers (continued)

19. WHAT TAXES ARE APPLICABLE? (CONTINUED)

IHT

With the standard IHT Nil Rate Band ('NRB') being frozen to at least 05 April 2030 more and more individuals are paying inheritance tax.

If your IB is not in a trust, there may be IHT to pay when you die. By placing into a trust, there may be less IHT to pay, or none at all.

We offer trust options which can be used to help to reduce the impact of IHT on your estate.

Please contact your Financial Adviser if you require further information on any of these trust options.

References to legislation and taxation in this document are based on LCA's understanding of current law as at June 2026, which may change in the future. How tax affects you will depend on your individual circumstances.

20.CAN I CHANGE MY MIND?

After your IB application has been accepted, you will receive a Notice of Your Right to Cancel.

You will then have 30 days from the date of this notice in which to change your mind. If the IB has been placed in trust or assigned within those 30 days, the right to cancel rests with the trustees or new owner(s).

If you decide to exercise your right to cancel, please complete and return to us the Cancellation Notice provided to you with your IB documents. On acceptance of your Cancellation Notice, we will refund the amount received, less any payments already paid to your Financial Adviser or Investment Adviser, and less any fall in the value of your underlying investments. The refund you receive may be less than the amount paid to us.

Please be aware if you choose to cancel an IB linked to an asset which deals infrequently, we may delay the repayment of the part of your IB linked to the deposit or asset described above until the deposit matures or the dealing date of the asset is reached, and full settlement is received by us.

You can also request the cancellation of your IB before you receive your documents by contacting us or your Financial Adviser.

Further Information

About London & Colonial Assurance PCC Plc

LCA is a company incorporated in Gibraltar under the provisions of the Gibraltar Companies Act 2014 and whose registered office is situated in 3rd Floor, 55 Line Wall Road, Gibraltar, GX11 1AA, with Company Registration Number 80650.

Protected Cell Company

LCA is structured as a Protected Cell Company ('PCC') subject to the provisions of Gibraltar's Protected Cell Companies Act 2001.

This means that LCA creates legally recognised 'Cells' within the company in order to segregate and protect all the assets held in each individual IB. Each Cell has its own designation ('the IB number'), and it is the duty of the directors to keep the assets and liabilities of each Cell separate and therefore accounted for separately.

Also, the directors must account for each Cell separately as the legislation prohibits the assets of a Cell to be used to satisfy any liability not attributable to that Cell. If the liabilities of a Cell exceed the value of its assets, the shortfall will be payable from the solvency capital of LCA.

LCA is regulated under the Financial Services ('Insurance Companies') Regulations 2020 which has equivalence to the provisions of the EU's Third Life Insurance Directive. LCA meets the capital and solvency rules required by the GFSC's prudential regime, which is based on Solvency II principles.

Notification of Risks and PCC Legislation

The added protection offered by the PCC Legislation would undoubtedly be effective in any legal proceedings brought in Gibraltar. However, the directors of LCA know of no legal challenges to the PCC concept in any other jurisdiction. They are therefore unable to give policyholders an assurance that the courts of another country would grant the level of protection for cellular assets intended under Gibraltar's Protected Cell Companies Act 2001.

Solvency and Financial Condition Report

Every year, LCA publishes a Solvency and Financial Condition Report ('SFCR') which provides information about our performance, governance, risk profile, solvency, and capital management. The SFCR is available to read on our website at https://lcalife.co.uk

Client classification

LCA will treat you as a "retail client" which gives you the greatest level of protection such as, the Financial Services Compensation Scheme (FSCS or the 'Scheme') as shown below and means that you get full information about products you buy.

Compensation

As a Gibraltar insurer, authorised to write business in the UK, all UK policyholders are covered by the FSCS should LCA be unable to meet its responsibilities. Currently the Scheme covers 100% of the value of a valid claim. For further information on the Scheme please visit: www.fscs.org.uk

Law

The IB is issued in Gibraltar and is construed in accordance with the law of Gibraltar.

Queries, Complaints and Contact Details

For further information, or if you wish to complain about any aspect of the service you have received, please contact the Customer Service Team.

The Customer Service Team may be contacted by telephone during normal working hours of 8.00am to 4.00pm, Greenwich Mean Time, Monday to Friday,

Telephone: (UK): 0044 (0)2036 406843

Or by post or email using the details below.

Postal Address:

London & Colonial Assurance PCC Plc

3rd Floor
55 Linewall Road
Gibraltar, GX11 1AA

Email: LCA@lcalife.co.uk

Should you remain unhappy with LCA's resolution of your complaint, you can contact the Gibraltar Law Courts at:

Gibraltar Law Courts
32-36, Town Range
Gibraltar, GX11 1AA

Website address: https://www.gcs.gov.gi/

Making a complaint will not prejudice your right to take legal proceedings.

London & Colonial Assurance PCC Plc ('LCA') is a Gibraltar registered company and is incorporated under the Gibraltar Insurance Companies Act as a Protected Cell Company ('PCC'). LCA is regulated by the Gibraltar Financial Services Commission (permission number: 5191) and is part of STM Group, a Global Pension Corporation company.

International Bond is provided by LCA.

The security and safety of your data is very important to LCA. A copy of our Privacy Notice can be found on our website: https://lcalife.co.uk