

## **Select Account**

### **The onshore bond**

#### **Key Features**

This document provides further information about your Select Account onshore bond. Please read it with your Key Information Document and the relevant Fund Information Guide(s) and keep it with the documents relating to your onshore bond. The Key Information Document, the relevant Fund Information Guide(s) and the Personal Example show what you may get back from your investments.

The Financial Conduct Authority (FCA) is the independent financial services regulator. It requires us, Canada Life Limited, to give you this important information to help you decide whether the Select Account onshore 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.



# Select Account

The Canada Life Limited Select Account (the Account) is designed for someone looking to invest a sum of money over the medium to long term (ten years or more). It provides the opportunity to link the performance of the Account to a fund or range of funds available.

The Account is also flexible enough to provide you with regular or one-off withdrawals to support your existing income or other financial planning needs.

## Its aims

- To increase the value of the money you invest.
- To allow you to take money out of the Account either as a one-off payment or as regular withdrawals.
- If you have selected the discounted gift option its aims are:
  - to provide an immediate reduction in your potential inheritance tax bill.
  - to allow you to take regular withdrawals which are fixed at outset and continue until your death or the fund value becomes nil.
- To allow you to invest in a fund or range of funds to meet your investment needs.
- You want to use this money to provide a lump sum for your dependants in the event of your death.
- You can regularly review your plan and your investment choices, in order to ensure it continues to meet your needs.

## When is the Select Account not appropriate?

The Select Account will not be appropriate if:

- You have less than £5,000 to invest.
- You want to withdraw all of your funds immediately in one go.
- You are not sure what level of risk exposure you can live with.
- You do not plan to regularly review your investment choices.

We recommend, if you have not yet done so, that you engage with a professional adviser to discuss your financial objectives, in order to identify the most suitable solution to meet your needs. **Please note that Canada Life is not authorised to provide financial advice.**

## Who is the Select Account for?

The Select Account may be suitable for you if:

- You have at least £5,000 or more to invest or at least £25,000 for a DGT plan.
- You want to invest your money in funds to generate either a capital lump sum or an additional income stream.
- You understand that performance of your plan is linked to the funds you choose to invest in.
- You can withstand fluctuations in the value of your plan and have other short-term funds to rely on, outside of this policy.

### Your commitment

- To invest at least £5,000 (£25,000 under the discounted gift option).
- The Account is to be a medium to long term investment (ten years or more) although you are able to cash it in at any time, without penalty, unless you have selected the discounted gift option which cannot be cashed in during your lifetime.

### Risks

- The value of your investment can go down as well as up and you may not get back the full amount you invested. The way any of the funds have performed in the past should not be used as a guide as to how they will perform in the future.
- What you get back is not guaranteed. It may be less than the amount shown in your Personal Example (for instance) if investment growth is lower, if you take money out of the Account or if the policy charges increase.
- If you decide to withdraw amounts from the Account that are greater than the growth in the funds you have chosen to invest in, the value of your Account will go down and there may be less than the amount you have invested.

- Your circumstances may change in the future and you might need to cash in the Account sooner than you expected.
- If you have selected the discounted gift option you cannot alter the regular withdrawals or cash in the Account during your lifetime.
- Some of our funds have higher risks and may invest, for example, in emerging markets which may make your investment more risky. Currency fluctuations can also affect how funds perform. For a full list of the funds available please contact your professional adviser.
- If you invest in the property fund or any fund which holds property, we have the right to delay switching any amounts out of the fund or paying claims (except death claims) for up to six months if we think this is necessary to protect the interests of all policyholders.
- On a day you value or cash in all or part of your Account, more money may be moving out of the funds than into them. In this instance for each fund in which you invest, the value of the whole fund may reduce to allow for the estimated costs of selling the underlying assets.

# Questions and Answers

## Do I need advice?

- Canada Life is an insurance provider and cannot give personal recommendations about the products it offers.

To help you decide if the Select Account is suitable for you, you should speak with a professional adviser. If you do not have an adviser, you can find one local to you by using the following website: [unbiased.co.uk](http://unbiased.co.uk)

## What is the Select Account?

- The Account is an investment bond you pay one amount into (a single premium) and is designed to increase your investment over the medium to long-term. It also includes some life insurance cover.
- You can take money out of the Account as a one-off payment or as regular withdrawals unless you have selected the discounted gift option where withdrawals are fixed at outset and cannot be changed.
- You can invest any amount in the Account as long as you invest at least £5,000 (£25,000 for the discounted gift option). You can also add extra amounts of £1,000 or more at any time (these are called top-ups). Top-ups are not allowed under the discounted gift option.
- As the Account includes life insurance cover, it will provide a small additional cash amount when you die. You can set up the Account to insure your own life, or another person's life, or up to four people's lives. Where the discounted gift option has been selected neither you or your spouse/civil partner can be a life assured.
- There must be an insurable interest between you and the lives assured selected. This means that the Account owner must suffer a financial loss on the death of any of the chosen lives assured.
- At the start:
  - the minimum age for the Account owner is 18 years with no maximum. Where you have selected the discounted gift option the maximum age for an owner is 89.
  - the minimum age for a life assured is three months with no maximum.
  - if you have selected the discounted gift option neither you or your spouse/civil partner can be a life assured.
- All lives assured and owners must live in the UK.

## How does the Account work?

- We use your investment to buy units within the fund or funds of your choice. You can see in the Personal Example how much of your money has been used to buy the units. The fund(s) you choose may invest in assets such as stocks and shares, property, gilts, corporate bonds or cash. The value of these assets will dictate the value of your units. The income these assets produce (such as dividends or rent from property) also increases the value of the units.

- For added flexibility, your Account can be divided into a number of separate identical sub-policies of at least £1,000 each. This may help with your tax planning when you decide to take some of your money out of the Account.

## What might I get back?

- The Personal Example shows what you might get back at various stages in the life of the Account.
- You should not invest money in an Account if you might need it in an emergency.
- If you decide to cash-in your Account we will pay you the value of the investment on the next valuation date.

## Will I be able to take my money out?

There are a number of ways that you can take your money out. There is no charge for doing this.

If you have selected the discounted gift option you can only take money out through the fixed regular withdrawals.

If you are planning on taking money out of the Account we strongly recommend that you discuss the tax implications with your professional adviser before taking any action.

### Regular withdrawals

- You can withdraw regular amounts from the Account. You can do this every month, every three months, every six months, every year or every term (for example, if you use the money for school fees).
- The lowest amount you can withdraw is £250 in a year.
- There is no maximum as long as after each amount you withdraw the total value left in the Account is at least £250.
- You can spread the amount you withdraw regularly across all the funds you invest in or withdraw the amount from up to five funds.

### Partial withdrawals

- You can cash in/surrender part of the value of your Account at any time, except if you have chosen the discounted gift option. There is no limit to the amount you can take but after each amount you withdraw the total value left in the Account must be at least £250.
- You can take a partial withdrawal as an amount spread across all the funds you invest in or you can take it from up to five funds.
- You can take it as a withdrawal across all policies or cash in individual sub-policies.
- If a request is unclear, we use the default method of fully cashing in individual sub-policies.

### Cashing in

- You can cash in your Account in full at any time, except if you have chosen the discounted gift option.

# Questions and Answers

## Paying your professional adviser

- You can ask us to deduct amounts from your investment to pay any fees due to your professional adviser.
- We can pay an initial fee from your investment either before or after it is applied to the Account (under the discounted gift option the initial fee must be deducted before the investment is applied to the Account) and make one-off or regular payments, should you request them throughout the life of the Account.
- As we are facilitating the payments on your behalf, you are able to start, stop or vary them as appropriate.
- Where no financial advice has been provided we may be able to pay commission to your professional adviser. This will be shown in your Personal Example.

## Where and how is my money invested?

- Your money is invested in the funds you choose and each investment you make can be allocated to up to 10 funds at a time.
- Each fund is divided into 'units' of equal value. We use your money to buy units in your chosen fund or funds.
- Currently, you can switch the value of your units between funds as many times as you like, without a charge.
- We also offer a phased investment option where you may gradually move money from one group of funds to another over a defined period. For more information please contact your professional adviser.

## What funds are available?

- We offer a full range of funds that cover the major geographic areas and sectors as well as some specialist funds. They include funds we manage as well as a wide range of funds managed by other companies.
- The funds you can choose from have different objectives and risks. Your professional adviser can help you choose the funds most likely to meet your investment needs and will be able to provide you with details of the funds available.

## What happens to the money if I die?

- Where you are the only life assured the death benefit payable is 100.1% of the value of units.
- You can put your Account in trust (the discounted gift option is always in trust) so that the people you choose to receive benefits if you die (the beneficiaries) are paid by the trustees. Your professional adviser will be able to give you more details of the advantages and disadvantages of putting your Account in trust.

## What if my circumstances change?

- You should inform your professional adviser of any change in your circumstances.
- You can change the amount and frequency of regular withdrawals at any time or cash in the Account completely, if you wish.
- If the discounted gift option has been selected you cannot change the regular withdrawals or cash in the Account during your lifetime.

## What are the charges?

- Your Personal Example shows how your money is applied to the Account, the charges to be deducted and any adviser charge payments you have instructed us to make.
- Full details of all the charges are shown in the 'Select Account charges and fees' document (reference ID5831).

### Adviser charges

- If you have asked us to pay any fees before setting up your Account, these will be deducted before allocating any money to your Account.
- Ongoing fees will be deducted as requested.

### Monthly management charge

- The monthly management charge is deducted from your Account and is based on the value of your investment.

### Loyalty bonus

- We pay a loyalty bonus for keeping the Account invested.
- An amount equal to 0.50% of the value of your Account will be added on every fifth anniversary of each investment.

### Investment management charge

- The amount varies depending on the fund or funds you have chosen. This will be reflected in the unit price of the fund or funds you invest in.
- For details of fund charges please contact your professional adviser.

# Questions and Answers

## What about tax?

- We have based the following information about tax on current law; the law may change and the information depends on your own financial circumstances.
- You should ask your professional adviser for more details about tax.

### Corporation tax

- We pay tax on any income received and on any capital gains made by the funds in which your money is invested. We pay tax at the rate which applies to life insurance companies.

### Income tax

- If you pay tax at the basic rate, when you cash in your Account you may have no further tax to pay
- If you are a higher rate or additional rate taxpayer, or become one when the average gain from your cashed in Account is added to other sources of your income, you may have to pay more tax to make up the difference between basic rate and the higher rates of tax.
- Each year you are able to withdraw up to an amount equal to 5% of the amounts paid into the Account. This can continue without any tax arising until an amount equal to the original payments has been returned, that is 5% each year for 20 years.
- If you do not use the full 5% allowance in a year then the unused amount can be carried forward.
- If the available 5% allowance is exceeded then there might be tax to pay.
- If you request any adviser fees to be paid by partial withdrawal, the amounts deducted will count towards the 5% allowance.
- If your Account is put in trust (the discounted gift option is always in trust), you may have to pay income tax on any gains the Account makes. The rate of income tax applying and the person assessed will vary from trust to trust. In most cases gains will be taxed on the person setting up the trust.
- Please be aware that any gain you make on cashing in can affect your entitlement to higher age allowance, personal allowance, child benefit or working tax credits.

### Inheritance tax

- Your executors may have to pay inheritance tax on any money they receive from your Account if you die. If you put your Account in trust (the discounted gift option is always in trust) your executors may not have to pay as much or any inheritance tax. Your professional adviser will be able to provide more information about inheritance tax for your personal circumstances.

## Can I change my mind?

- You have the right to change your mind and cancel the Account under the Financial Conduct Authority Cancellation Rules within 30 days of receiving the document 'Cancellation Form' from us.
- If you decide to cancel the Account, we will take any fall in the value of your Account from your investment. If the value of your investment has increased, we will return your original investment only.
- If you have asked us to pay any adviser fees to a professional adviser and we have made these payments, then we will be unable to refund them to you.

## How will I know how my Account is doing?

- Every six months we will send you a statement showing you the value of your investment.
- Visit our website at [canadalife.co.uk](http://canadalife.co.uk) to see the prices of each fund we offer. You can also ask for the prices by calling us on **0345 6060708**.

## How to contact us

- You should contact your professional adviser in the first instance.
- If you have any questions you can contact us in the following ways:

### For help with Personal Examples or completing the application form:

Phone: **01707 422927**  
(lines are open Monday to Friday  
9am - 5pm)

Email: [adviser.support@canadalife.co.uk](mailto:adviser.support@canadalife.co.uk)

Address:  
**Adviser Support  
Canada Life Limited  
Canada Life Place  
Potters Bar  
Herts  
EN6 5BA**

### For submitted applications:

Phone: **0345 6060708**  
(lines are open Monday to Friday  
9am - 5pm)

Email: [NBDInvestment@canadalife.co.uk](mailto:NBDInvestment@canadalife.co.uk)

Address:  
**New Business Investment Team  
Canada Life Limited  
Canada Life Place  
Potters Bar  
Herts  
EN6 5BA**

Website: [canadalife.co.uk](http://canadalife.co.uk)

## Further information

### How to complain

If you need to complain about any part of the service we have provided, please contact us. If you are not happy with our response you can contact:

**The Financial Ombudsman Service**  
Exchange Tower  
London E14 9SR

Phone: 0800 023 4567 or 0300 123 9 123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk)

Making a complaint will not affect your right to take legal action against us.

### Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). This is the UK's statutory fund of last resort for customers of authorised financial services firms, such as Canada Life Limited. Your ability to claim from the scheme and the amount you may be entitled to will depend on the specific circumstances of your claim and how your Select Account is invested.

If you have a valid claim against us and we are not able to meet our responsibilities in full, you may be entitled to compensation from the FSCS. Currently the scheme covers 100% of the value of a valid claim, with no upper limit.

If you have chosen to invest in funds managed by any of our external fund partners, you are investing in a Canada Life fund which buys units in the underlying external fund. This means that if one of the fund partners was unable to meet its obligations, you would not be eligible to make a claim for compensation under the FSCS. If this happens, we are able to act on behalf of our policyholders but our rights to seek compensation from an external fund manager are not as comprehensive as those of an individual who invested directly so the value of your investment will depend on the amount that we actually recover from the external fund manager.

Further information regarding the FSCS is available on their website or contacting them at the below:

**The Financial Services Compensation Scheme**  
10th Floor, Beaufort House  
15 St Botolph Street,  
London EC3A 7QU

Phone: 020 7741 4100

Email: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

### Law

English law applies to the Select Account.

### Solvency And Financial Condition Report

Our Solvency and Financial Condition Report is available on our website at [canadalife.co.uk/about-us/solvency-2](http://canadalife.co.uk/about-us/solvency-2)

### Terms and conditions

This document is a brief guide to the key features of the Select Account. You can read the full terms and conditions in the policy provisions which, together with the application form, makes the legally binding contract between you and us. The terms are based on our understanding of relevant legislation as at December 2017 and could be subject to change in the future.

We recommend that you obtain your own independent tax advice.

For further information about Canada Life Limited, please visit [www.canadalife.co.uk](http://www.canadalife.co.uk) or call us on **0345 6060708**.



Canada Life Limited, registered in England no. 973271. Registered office: Canada Life Place, Potters Bar, Hertfordshire EN6 5BA.  
Telephone: 0345 6060708 Fax: 01707 646088 [www.canadalife.co.uk](http://www.canadalife.co.uk) Member of the Association of British Insurers.

Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



This paper is made from recycled materials

ID5826 - 1019R/B