

# CAPITAL BUILDER

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## PRODUCT PROFILE



HANSARD

- Description:** Capital Builder, available from Hansard International Limited, is a unit-linked investment contract for single or regular contributions.
- Eligibility:** Clients must be at least 18 years of age at the time of application. The Capital Builder can be written on a single-life or joint-life second-death basis. Applications cannot currently be accepted from residents of the United States of America or most European Union member states.
- Minimum Contributions:** The minimum contribution is £300 per month or £3,500 per year. Alternatively ad-hoc contributions may be made subject to a minimum total contribution of £10,000 being made within three years of commencement of the contract. Clients may make contributions in most freely convertible currencies, with the minimum contribution level being set at the date the contract is put into force by converting the Sterling limit to the chosen contract currency.
- Currencies:** A Capital Builder contract may be denominated in one of a number of major currencies. Clients may change the currency denomination of the contract at any time, at the exchange rate then prevailing.
- Unit Allocation:** Accumulator units are allocated at bid price for 100% of all contributions made. The units allocated are directly related to specific contributions.
- Switching:** A switch transaction is the switching of units in one or more funds for units of equivalent value in one or more other funds. Once £10,000 has been contributed to the Capital Builder, switches will normally be free, although a switching charge may be levied by Hansard International Limited in exceptional circumstances. Prior to this, there is one free switch in any plan year; subsequent switches attract a charge, currently £35 per fund switch, subject to a minimum charge, currently £74 per switch transaction. For the purposes of this charge, the number of switches in a transaction is taken to be greater of the number of funds switched out of or into. Future contributions can be re-directed to a different set of funds at any time without charge.
- Withdrawals:** Withdrawals may be made on an ad-hoc basis or automatically to provide an income, subject to normal encashment rules and charges, provided contributions totalling at least £10,000 have been received. There is a fee, currently £21 per withdrawal, which is waived, depending on the amount of the total contributions paid and the frequency of income payments, in accordance with the table below:

| Total Contributions Received | Regular Withdrawal Frequency                |
|------------------------------|---|
| £10,000 - £24,999            | Annually or Half-yearly                     |
| £25,000 - £49,999            | Annually, Half-yearly or Quarterly          |
| £50,000 and above            | Annually, Half-yearly, Quarterly or Monthly |

- Encashment Value:** Withdrawals can be made at any time, for the value of encashed units less the balance of the year's management charge (on the amount realised) subject to the notes below. The value is calculated using the appropriate unit bid prices. The minimum encashment at any time is £100.
- Units relating to contributions which have been invested for less than seven years are subject to an additional charge on encashment. This charge is 7% of the amount encashed if the related contribution has been invested for less than twelve months, reducing by 1% for each complete year of investment of the related contribution.
- This additional charge is waived when units are encashed which relate to contributions which have been invested for between five and seven years, provided that the amount encashed does not exceed 10% per year of the sum of those contributions.
- On full encashment, the balance of the year's service fee and any outstanding establishment charges will be levied.
- If the minimum contribution of £10,000 in total is not received within three years of the commencement of the contract, or if the contract is fully encashed within that period and the minimum contribution has not been received, a special discontinuance fee, currently £658, is levied by cancellation of units.
- Where a partial surrender takes place within that period and before the minimum contribution has been received, if the value of the units remaining allocated to the contract after the partial surrender will be less than the special discontinuance fee, then that fee will be deducted from the partial surrender amount.

## CAPITAL BUILDER PRODUCT PROFILE - cont.

- Sum Assured:** The benefit payable on death of the appropriate life assured is 101% of the value of units allocated to the Capital Builder contract at the appropriate unit bid prices. Where the client (or, in the case of a joint-life contract, the younger client) was age 75 or over on the date the contract was put in force, the sum assured is an amount equal to 101% of the Encashment Value, calculated using the previously mentioned unit bid prices.
- Charges:** There is an establishment charge of 0.6% of each contribution levied quarterly in advance for four quarters. An annual service fee is deducted monthly, currently at the rate of £19.50 per month. There is a management charge, currently 1% per year of the value of the units allocated to the contract. Where the services of other managers are used (including external managers of mirror funds), those fund managers levy their own charges in addition, which may vary at any time. These management charges are taken into account in the unit price.
- Terms:** The terms on which future contributions may be invested are not guaranteed and may change at any time. To confirm that these are the current terms, please contact the Product Support Department at Hansard International Limited by telephoning +44 1624 688000.

### IMPORTANT NOTES

This Contract is valued on the basis of the performance of the funds that are chosen by the client. It is based on the unit price where the fluctuation in the price may result in losses, especially in the short term. This may be further impacted, positively or negatively as the case may be, as a result of any exchange rate movements. In addition, dependent on the choice of assets, it may not be possible to sell certain assets immediately when required.

Hansard International Limited does not and cannot accept any responsibility or liability for:

- (i) any country's tax or legislative measures, which might affect the contract. As the client you should ensure that you understand the tax, exchange control and insurance legislation that exists in your country of residence and in the country where you expect to reside when you take the benefits. In particular you must satisfy yourself that under such legislation in your current country of residence, you are allowed to effect this contract. Such legislation may change between the start of the contract and its encashment. The effect of such changes cannot be predicted
- (ii) any contradictory or supplementary information to that contained in this product profile provided by any third party
- (iii) the suitability or otherwise of its products for individual clients as it does not give any investment advice. The products are available only through independent financial advisors, on the basis that the independent financial advisor is, in all respects, acting solely on behalf of the client

The relevant Terms and Conditions set out the full details of the contract between the client and Hansard International Limited and these should be reviewed in detail before any application for the product is completed.

If a client becomes resident in the United States of America, Hansard International Limited may not be able to accept any further contributions or any instruction to vary the fund choice until after the client subsequently ceases to be a resident of the United States of America.

It is Hansard International Limited's policy to respond to and resolve all complaints made by clients promptly. Complaints that are not resolved can be referred by the client to the Isle of Man Financial Services Ombudsman.

Monetary charges are expressed in £ sterling and increase each year, normally in July, to reflect inflation, in accordance with the Terms and Conditions.