

<b>Description:</b>	Pinnacle, available from Hansard International Limited, is a unit-linked contract for clients who wish to invest on a regular basis. Once contributions have been made for two years, future contributions may be increased, reduced or waived. Any increase in contribution will be directed to a new contract.
<b>Eligibility:</b>	Clients must be at least 18 years of age at the time of application. Pinnacle can be written on a single-life or joint-life first-death basis. Applications cannot currently be accepted from residents of the United States of America or most European Union member states.
<b>Minimum Contributions:</b>	Contributions may be made at any level from £150 per month or £1,200 per year. Contributions can be made quarterly or half-yearly if desired. 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.
<b>Currencies:</b>	Pinnacle contracts can 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.
<b>Term:</b>	The term of a Pinnacle contract (in complete years) must be agreed when the first contribution is made. Typically the term is between ten and twenty years; however, terms are available for shorter periods. Pinnacle contracts cannot extend beyond a client's 65th birthday.
<b>Standard Sum Assured:</b>	On death before the agreed term, the standard sum assured is 101% of the value of the initial, accumulator and bonus units. The value is calculated using the appropriate unit bid prices.
<b>Guaranteed Minimum Sum Assured Option:</b>	<p>This optional facility enables clients, subject to satisfactory underwriting, to fix the minimum return on a Pinnacle contract in the event of a valid death claim before the end of the term.</p> <p>A range of guaranteed minimum sum assured options is available. The sum assured can be expressed as a multiple of the projected contributions to the contract, as a multiple of the projected maturity value of the contract or it can be a specific monetary amount. The level of cover can be altered at any time. Any increase will be subject to satisfactory underwriting at the time of alteration. The cost of any life cover is met by a monthly charge based on the difference between the agreed minimum sum assured and the contract value. The benefit payable on death is the greater of the standard sum assured and the guaranteed minimum sum assured.</p> <p>Through discussion with their independent financial advisor, clients can select the amount of guaranteed minimum sum assured most suited to their particular needs.</p> <p>If this option is not selected, the standard sum assured will apply.</p>
<b>Optional Waiver of Contribution Benefit:</b>	<p>This optional benefit ensures that in the event of the client's inability to work due to illness or accident, contributions will be made by Hansard International Limited and the contract will continue. The benefit begins once the client has been unable to work for 180 days following the incidence of the qualifying disability, and continues until the earlier of regaining the ability to work, the maturity date, the death of the client, or the client attaining age 60. In the case of a joint-life contract, this benefit can only apply to one life and selection of the relevant life must be made at the outset.</p> <p>If the waiver of contribution benefit is selected, the cost is met by a monthly charge based on the age of the client and the amount of the contributions being protected.</p>
<b>Unit Allocation:</b>	Units are allocated to the contract at the appropriate unit offer price for 100% of all contributions received. Once contributions have been made at a constant level for a continuous ten-year period, units are allocated for 105% of future contributions made at this level. For an initial period, initial units are allocated. Initial units have no monetary value save on maturity or prior death. This initial period, in months, is calculated as $(0.6n + 9)$ rounded up, where 'n' is the Pinnacle term in years. The minimum initial period is 15 months and the maximum is 21 months. Accumulator units are allocated thereafter.

## PINNACLE PRODUCT PROFILE - Regular Contributions cont.

- Bonus Units:** Bonus accumulator units are earned at the rate of 0.75% per year for all accumulator units allocated to the contract and previously allocated bonus units, provided that contributions are maintained. Bonus units are allocated at each anniversary, and have no monetary value save on maturity or on prior death.
- Clustering:** Increased flexibility can be achieved by issuing a Pinnacle contract in a cluster. With a clustered contract, the contributions received are split equally amongst a number of identical, legally free-standing contracts. Pinnacle can consist of up to ten such 'mini-contracts', provided that a contribution of at least £20 per month (£200 per year) is made to each mini-contract. This facility must be chosen at the start of the contract if required.
- 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. Fund switching is possible at any time on a bid-to-bid basis. The first switch transaction in any contract year is free; subsequent switches attract a charge, currently £35, per fund switch, with 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 the greater of the number of funds switched out of or into. Future contributions may be redirected to a different choice of funds at any time without charge.
- Maturity Value:** At the end of the selected term, the proceeds of a Pinnacle contract will be the value of the initial, accumulator and any bonus accumulator units allocated, calculated at the appropriate unit bid prices.
- Early Encashment Value:** The full value of accumulator units is paid on early full or partial encashment of a Pinnacle contract after payment of the first two years' contributions. The value is calculated using the appropriate unit bid prices. No value is given for accumulator units allocated from regular contributions where a Pinnacle contract is terminated before its second anniversary. Initial and bonus units have no monetary value save on maturity or prior death.
- Paid-Up Value:** A Pinnacle contract can be made paid-up (ie. contributions to date remain invested but no further contributions are made) at any time after two years, provided that the contract has a current surrender value. In this event, the sum assured reverts to the standard level, and the service fee increases, currently by £1.75 per month. A paid-up contract may be revived at any time with Hansard International Limited's agreement.
- Charges:** All of the available funds have a bid-to-offer differential of 7% plus a rounding adjustment. There is an annual management charge, currently 1% for accumulator units plus an additional 7% per annum on initial units. 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. An annual service charge is deducted monthly, currently at the rate of £8.25 per month. The allocation of bonus units effectively reduces the 1% annual management charge for accumulator units to approximately 0.25%. There is a charge for the Guaranteed Minimum Sum Assured Option and the Waiver of Contribution Benefit if selected, levied by unit deduction.
- In the early years of the contract, charges are carried forward, without interest until there are sufficient accumulator units to meet them.
- Lower Contribution Variant:** Contributions from £100 per month (£600 per year) will be accepted where the term of the Pinnacle contract is at least ten years.

## PINNACLE PRODUCT PROFILE - Regular Contributions cont.

### **Short-Term Contracts:**

Pinnacle contracts can be agreed for terms of less than ten years with a reduced initial period, as shown in the table below. The minimum contribution for these contracts is £150 per month (£1,200 per year).

Term (Years)	Initial Unit Period (Months)
5	7
6	7
7	8
8	8
9	9

### **Single Contributions:**

Single contributions can be made to a Pinnacle contract, on the terms prevailing at the time of investment. See the separate Single Contribution Pinnacle Product Profile for details of the current terms.

## 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.