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# International Portfolio Bond

A Legal & General International product brought to you by Cofunds

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[Product Details](#)

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## GLOSSARY

Definitions of commonly used words. For ease of reference these terms have been given capital initial letters wherever they appear.

### Assets

Any of the allowable assets described in section 6, which are acceptable to Legal & General International.

### Bond

The International Portfolio Bond from Legal & General International, a single premium whole of life investment bond comprising a series of identical Policies. Otherwise referred to as the International Portfolio Bond or Bond.

### Cofunds

Cofunds Limited or its successors in title.

### Cofunds Investment Platform

The investment platform used to buy and sell Assets provided by Cofunds, which are acceptable to Legal & General International.

### Cofunds Trading Account

A cash account primarily used for managing investment transactions on Cofunds Investment Platform. Referred to as the Trading Account throughout the document.

### Dealing Charge

The charge described in section 10 that may apply to transactions in Assets under the Bond.

### HMRC

HM Revenue & Customs who are responsible for collecting tax in the UK.

### Legal & General International

Legal & General International (Ireland) Limited, part of the Legal & General group of companies.

### Life/Lives Assured

The person, or persons, on whose life the contract depends.

### Personal Illustration

Provided to a Policyholder before the Bond is effected, which shows the charging structure selected by the Policyholder and the charges that will apply throughout the life of the Bond.

### Policy (Policies)

The contract between the Policyholder and Legal & General International. The Bond comprises a series of identical insurance contracts represented by individual Policies. Each Policy is represented by its own unique number. References to the 'Policy' or 'Policies' shall be deemed to include all in force Policies within the Bond unless the context requires otherwise.

### Policyholder

The legal owner of the Bond.

### Policy Schedule

The document containing details specific to the Policyholder and their investment.

### Regular Withdrawals

Regular surrenders from the Bond to provide regular payments.

### Retail Prices Index (RPI)

The Retail Prices Index, a measure of inflation in the UK, published by the Office for National Statistics.

### Transaction Account

A cash account used for many transactions within the Bond, in particular for the payment of Bond charges and from which Regular Withdrawals are taken.

### Transfer of Assets

Investment holdings already owned by the customer are re-registered with Cofunds then passed into the name of Legal & General International. These Assets are credited to the Bond without being sold, incurring only re-registration charges. Legal & General International reserves the right to refuse part or all of any Assets.

### Valuation Point

This is the time of day and day of the month that an Asset is valued. This may be on a daily basis, but an Asset can be valued less frequently. Your adviser will provide details of the Valuation Point, where this applies, for the Assets you have selected.

## 1. INTRODUCTION

This document describes the technical features of the Legal & General International Portfolio Bond. Although we try to avoid using jargon in documents such as this, there are some technical terms with specific meanings that are explained in the glossary above.

## 2. PRODUCT DESCRIPTION

The Legal & General International Portfolio Bond is a single premium whole of life investment bond with no fixed term. It provides a framework for investing in a choice of Assets over the medium to long term, that is, at least five years, ideally longer.

You can choose investment funds managed by one or more investment managers from the Cofunds range of fund managers, or a combination of Legal & General International funds and the Cofunds range of funds. The ranges of funds available are those on the Cofunds Investment Platform.

The Bond is set up as a series of identical contracts (called 'Policies') to give you greater choice as to how you take money from your Bond and, potentially, to increase its tax efficiency. When the Bond starts, you choose how many individual Policies you want (minimum of 1, maximum of 500). If you do not make a selection, 100 individual Policies will be issued.

## 3. ELIGIBILITY

### Policyholder

The Policyholder is the legal owner of the Bond, who may be different from the person who is intended to benefit from it.

The Policyholder(s) may be:

- one or more named individuals;
- individuals acting as trustees;
- a corporate trustee; or
- a company.

Up to four people can be Policyholders.

You as the Policyholder(s) must be a UK resident on application. If you become resident in Ireland your Bond will become subject to tax in Ireland. The Bond is not available if you are a citizen or resident of the United States of America.

### Age limits

Policyholders must be aged 18 or over.

### Life Assured

You can have up to six people named as Lives Assured provided at least one is aged 89 or less when the Bond starts. If more than one person is named as a Life Assured the Bond terminates on the death of the last to die.

Life assurance is included as part of the contract, so that it qualifies as an investment bond. As this contract is an investment bond, no capital gains tax is charged when you switch between funds within the Bond.

The Lives Assured can be whoever you want, but you need to think carefully about who should be a Life Assured, as this can have an impact on how soon a chargeable event might arise. Your adviser can provide further information on the tax treatment of the Bond.

## 4. CURRENT INVESTMENT LIMITS

You can set up the Bond in British Pounds only.

The current investment limits are as set out in the following table.

You may also set up the Bond by transferring Assets. The minimum investment for such a transfer is £100,000.

Minimum new investment	£50,000
Maximum new investment	No limit
Minimum additional investment	£2,500
Maximum additional investment	No limit

## 5. ADDITIONAL INVESTMENTS

You can make additional payments into an existing International Portfolio Bond subject to:

- Legal & General International continuing to offer the International Portfolio Bond for new investments generally;
- the prevailing contract terms;
- the youngest Life Assured being aged 89 or younger; and
- the minimum investment limits that apply at the time.

Any further payments you make into the Bond will be spread equally across all existing Policies. Legal & General International will treat each additional investment as an addition to each individual Policy, that is, it is not treated as a new Bond.

There is no limit to the number of additional investments you can pay into the Bond, but the additional investment must share the charging structure of the initial investment.

If you want to make an additional investment by using an additional transfer of Assets, the value of the Assets you transfer must be worth at least £2,500.

Where you have made an additional investment a new Policy Schedule will be issued, which will reflect the additional investment value.

## 6. ALLOWABLE ASSETS

The Assets of the Bond may include funds offered by Legal & General International and funds offered by Cofunds through the Cofunds Investment Platform. Please note that not all funds available through the Cofunds Investment Platform will be acceptable to Legal & General International and so will not qualify to be held as Bond Assets.

The minimum investment in each Asset will be £2,500, or the minimum allowed by the Asset provider, whichever is the greater.

Your choice of investment types to be held within the Bond is subject to the above, but the range of Assets available is limited to those available from the Cofunds Investment Platform or those provided by Legal & General International.

You can choose externally managed Assets available through Cofunds International Platform. Your adviser will provide you with details. For Assets made available via the Cofunds Investment Platform, Cofunds provides details about investment risks and objectives in the Special Risk Factors and Fund Details Explained sections of the Cofunds Platform Fund key features.

You can find details of the Legal & General International funds currently offered, including the fund aims and the fund specific risks, described in the International Funds key features.

Following receipt of your completed application and payment via Cofunds to Legal & General International's office in Dublin, Ireland, your instructions to purchase Assets will be given on the next working day after the date of receipt. The time taken to complete the purchase or sale of an externally managed Asset will depend upon the Valuation Point of the Asset. Legal & General International funds will be purchased on the second day following receipt of full instructions.

When deciding where to invest you should bear in mind that:

- past performance is not a guide to future performance;
- the value of your Bond may go down as well as up;
- the returns you receive are not guaranteed and you could get back less than your original investment; and
- unless the performance of your Assets meets the rate of inflation, the real value of your Bond will reduce.

You should understand that the performance of the Assets in which you choose to invest is not the responsibility of Legal & General International. You do not have the right to claim compensation against Legal & General International in relation to the poor performance of any Asset. Also, you do not have the right to claim compensation against Legal & General International in relation to the default of any external investment managers.

Legal & General International's rights to recover losses in connection with any breaches by the external investment manager, or the Assets managed by them, may not be as extensive as those of individuals investing directly in the relevant Asset.

## 7. TRANSACTION AND TRADING ACCOUNT(S)

### Operation

Your Bond will hold a Transaction Account. This is a cash account that is used for the payment of Bond charges and from which Regular Withdrawals are taken. In addition, Cofunds will manage a Trading Account, on behalf of Legal & General International, to manage investment transactions on the Cofunds Investment Platform.

All sums held in the Transaction and Trading Accounts will form part of the overall value of the Bond for the purposes of calculation of charges.

You should set the initial balance in the Transaction Account at a level that takes into account any establishment and administration charges, plus any imminent Regular Withdrawals. You should regularly review the Transaction Account to ensure that sufficient funds are available to pay charges and any Regular Withdrawals.

While the Transaction Account and/or the Trading Account are in credit, interest will be paid at 1.25% below Bank of England base rate per year. Should the base interest rate equal or fall below 1.25% per year, no interest on credit balances will be paid.

Interest will be charged on a negative balance in the Transaction Account currently at 3.0% per year above the Bank of England base rate. Your Trading Account cannot go into arrears.

Interest is worked out daily and is credited to or debited from the balance in the Transaction Account and/or credited to the balance in the Trading Account quarterly on 31 March, 30 June, 30 September and 31 December.

## Liquidity Policy

At any stage Legal & General International reserves the right to instruct Cofunds to sell Assets and apply the monies to the Transaction Account to cover a balance that is in arrears.

You can select a generic order to sell Assets for this purpose when your Bond is set up. We recommend that you review this after any of the Assets have been varied. You can change this order by instructing Cofunds in writing to their administration address. If you do not notify Cofunds and your generic instructions become invalid, Cofunds will sell Assets according to the International Portfolio Bond liquidity policy, which is available on request. No account of the prevailing market conditions will be taken when selling Assets.

Where cash is needed to cover any arrears in the Transaction Account, this will be taken from the Trading Account until it runs out. At this point, Cofunds will start to sell Assets. Where no Regular Withdrawals are being taken from the Bond and sufficient cash is required to cover charges, Assets will be sold to restore the Transaction Account to a zero balance. Where Regular Withdrawals are being taken, Assets will be sold to cover the negative balance, any imminent Regular Withdrawal and 2% of the Bond value to return the Transaction Account to a positive balance. We therefore recommend that you place sufficient funds in the Transaction Account at outset to cover the first year's charges and immediate Regular Withdrawals. You should review the amount held in the Transaction Account on a regular basis.

Cofunds value the Assets using historic prices. When a request is made to Cofunds to sell Assets, they will work out the number of units needed to meet the request. However, when Cofunds have sold the Assets, the price of the units may have decreased and there might not be enough cash to meet the request. Cofunds will sell an additional 5% above the requested value to take account of any drop in unit prices. This removes the need for unnecessarily small investment transactions. Any surplus after the Assets have been sold will be placed in the Trading Account and will receive interest at the rates stated above.

## 8. SWITCHING

You can vary the Assets within your Bond at any time, subject to the criteria described in section 6.

Cofunds describe this as switching between investment funds and the subject is covered in your customer agreement with Cofunds. You should refer instructions to switch to your adviser.

Dealing charges are not currently applied to assets held on the Cofunds Investment Platform. This may be reviewed in the future. Please see section 10.

You must leave at least £2,500 remaining in each Asset or the minimum allowed by the Asset manager, whichever is the greater.

All complete investment variations instructions received by Cofunds will generally be instructed on the next working day after the date of receipt.

## 9. VALUING THE BOND

The value of the Bond at any time will depend on the total value of the Assets held, including the Transaction Account and Trading Account.

### Statements

Statements will be sent to you at least yearly by Cofunds, showing:

- breakdown of types of Asset held including amounts held in cash;
- an up to date value of the Assets;
- a value on death;
- a surrender value; and
- a summary and detailed breakdown of all transactions since the last statement (or from the Bond start date if the first statement).

Additional transaction statements or current valuations are available from Cofunds on request through your nominated adviser. The Cofunds Investment Platform allows your nominated adviser to review the performance of your Assets via the Cofunds website and, therefore, gives access to valuations on an ad hoc basis. Valuations from the Cofunds website will not show death benefits or surrender values.

## 10. CHARGES

You can choose from two different charging structures, and your adviser will help you decide which is best for your particular circumstances. These structures allow you a choice of periods over which you want charges to be collected.

Both charging structures carry a surrender charge that may apply if part or the whole of your Bond is surrendered.

Further details are outlined below.

### Charging structure one

#### Five-year charge version

This option carries a quarterly establishment charge for the first five years the Bond is in force. The establishment charge is a percentage of the amount invested.

An establishment charge also applies to subsequent investments into the Bond. If you agree to pay a fee to your adviser for the advice you receive, the charges listed are the maximum establishment charges that you will pay. If you agree that your adviser will receive commission to cover the cost of the advice given, the establishment charge will increase by 0.061% for every 1% of initial commission your adviser receives. We have capped the maximum initial commission an adviser can receive at 6% of the initial investment.

Quarterly establishment charge (Based on a percentage of the amount invested and nil commission)		Early surrender charge	
Amount invested	Charge	Start of year	Maximum charge
£50,000 – £124,999	0.1813%	1	3.7%
£125,000 – £299,999	0.1340%	2	2.9%
£300,000 – £999,999	0.0990%	3	2.2%
£1 million and over	0.0900%	4	1.5%
Deducted three months after the start of the Bond and thereafter quarterly on the corresponding day.		5	0.8%
		6	0.0%

The early surrender charge is equal to the outstanding establishment charges for the remaining term of the establishment charge. It is a percentage of the initial investment or additional investment. The surrender charges shown have been rounded up in some cases. Where you surrender part way through a year these figures can be greater than those shown, as the establishment charge is taken quarterly in arrears. The maximum surrender charges will be greater than those shown in the table if your adviser receives initial commission.

## Charging structure two

### Throughout life charge version

This option carries a quarterly establishment charge for as long as the Bond remains in force. The establishment charge is a percentage of the prevailing value of the Bond. An establishment charge also applies to subsequent investments into the Bond. If you agree to pay a fee to your adviser for the advice you receive, the charges listed are the maximum establishment charges that you will pay. If you agree that your adviser will receive commission to cover the cost of the advice given, the establishment charge will increase by 0.025% for every 1% of initial commission your adviser receives. We have capped the maximum initial commission an adviser can receive at 6% of the initial investment. The early surrender charge will increase in proportion to the amount of initial commission paid to your adviser and could apply for a maximum of 8 years.

Quarterly establishment charge (Based on the amount invested, but taken as a percentage of the Bond value. Based on nil commission)		Early surrender charge (Based on the Bond value)	
Amount invested	Charge	During Year	Charge
£50,000 – £124,999	0.1400%	1	2.5%
£125,000 – £299,999	0.0650%	2	2.0%
£300,000 – £999,999	0.0530%	3	1.0%
£1 million and over	0.0500%	4	0.0%
Deducted three months after the start of the Bond and thereafter quarterly on the corresponding day.			

The surrender charge is a percentage, as shown above, of the Bond value at the time of surrender.

In addition to the charges outlined, there are additional charges applicable to both charging structures:

## Administration charge

There is a quarterly administration charge deducted three months after the start of the Bond and, thereafter, quarterly in arrears on the corresponding day. The current charge will be shown in your Personal Illustration and, once your bond has been set up, the Transaction Statement.

## Maintenance charge

A maintenance charge of up to 1% per year of the prevailing Bond value may apply if you have agreed this with your adviser.

## Charges on Legal & General International funds

The annual fund charge is a recurring charge taken on a daily basis, and reflects Legal & General International's investment costs and expenses. The annual fund charges for these funds are shown in your Personal Illustration.

These funds also bear additional expenses but they are not included in the annual fund charge. The amount of these expenses is variable and cannot be accurately predicted in advance. If and when they become due, Legal & General International deduct the relevant amount from the value of the investment fund. They make an appropriate allowance for these expenses when calculating the assumed benefits shown in your Personal Illustration.

## Charges on Assets managed by investment managers other than those provided by Legal & General International

Depending on the Assets selected, there may be ongoing annual charges and expenses. Your adviser will provide details of the charges that apply.

When you buy or sell units/shares in a single priced fund, the fund price does not include dealing costs, unlike a typical dual priced fund where costs are included in the spread. Therefore, the fund manager may seek to cover these costs by applying a dilution levy/adjustment to reduce the effect of dilution on the fund value. This amount is paid to the fund and if applied will be shown on your Cofunds confirmation note.

You may also be charged an amount of Stamp Duty Reserve Tax (SDRT) Provision (currently 0.5%). This is a charge made by the fund manager as a provision for SDRT for which the fund may be liable. This is usually deducted from the fund (under the Stamp Duty and Stamp Duty Reserve Tax Regulations 1999). It is normally charged on withdrawals and certain transfers of investments. Any amount of SDRT Provision charged will be shown separately on your Cofunds confirmation note.

It is not possible to identify within this document the exact costs associated with every Asset purchased, but the cost of acquiring the Asset will be attributed to the Bond. The prices quoted for each Asset are normally already adjusted to reflect the relevant charge. Your adviser will explain these charges.

## Dealing Charge

Currently, we do not make any Dealing Charge for investments between Legal & General International funds or the Cofunds range of Assets. Information about all of these investment funds can be obtained from your adviser.

Legal & General International reserves the right to impose a charge to cover the cost of administering fund switching.

## Electronic transfer fees

Payment made to or from the Bond by same day electronic transfer may attract a charge that you will have to pay. The charges that may be applied will be the rate charged by our bankers.

## Other information about charges

Legal & General International reserves the right to vary certain charges on giving one month's notice subject to the following:

- charges may be increased to reflect increases in the overall costs and/or changes in the assumptions about future expenses;
- if Legal & General International vary or introduce a charge we will notify you in advance of the date from which the charge will be introduced or the charge will become effective; and
- the establishment charge and the surrender charge for previous investments into the Bond will not be varied.

The managers of externally managed Assets may vary their charges. Cofunds will pass on any notification they receive about changes to charges on these Assets to your adviser.

The administration charge and the Dealing Charge, if this applies, will be increased on 1 January of each year to reflect any increase in the UK RPI calculated over the preceding year.

If the value of your chosen Assets falls dramatically you may have to top up your Bond to cover any outstanding charges.

## 11. BENEFITS ON THE DEATH OF THE LIFE ASSURED

On the death of a Life Assured:

- if there is only one Life Assured the Bond will end on the death of that person; or
- if there is more than one Life Assured the Bond remains in force until the last person dies. This enables the Policyholder(s) to continue to benefit from the investment.

On the death of the Life Assured or the last surviving Life Assured, if there is more than one Life Assured, the benefit payable is an amount equal to 100.1% of the surrender value of all of the in force Policies. The death benefit can only be calculated once the sale of all Assets has been completed and all cash resides in the Bond Transaction Account.

In the event of the death of the last Life Assured, the personal representatives should contact Legal & General International directly.

## 12. SURRENDERING ALL OR PART OF YOUR BOND

Three types of surrender are available:

- i) the whole Bond can be surrendered in full at any time;
- ii) individual Policies can be surrendered in full at any time; or
- iii) the Bond can be partially surrendered across all Policies at any time.

If the Bond is in the establishment charge period the establishment charge will continue to apply to all Policies. The type of surrender described in ii) and iii) above are subject to:

- clear written instructions being provided by the Policyholder(s) that this type of surrender is required;
- the remaining surrender value being at least £15,000.

If a request to surrender part of the Bond is received without instructions about how it should be done, no action will be taken until specific instructions on the type of surrender have been given to Legal & General International. Surrender instructions should be sent via your adviser or sent to Legal & General International directly.

The value of any surrender is determined by:

- The value of the Assets sold following receipt of the instruction at Legal & General International's office in Dublin, Ireland. Instructions to deal are generally given on the next working day and the proceeds as received are paid into the Transaction Account.
- The application of any early surrender charge as described in section 10 'Charges'.

## 13. REGULAR WITHDRAWALS

### Types of Regular Withdrawals

Regular Withdrawals can be set up from the start of the Bond or at any time thereafter, with at least one month's notice, and can be varied or stopped at any time. The withdrawal frequency can be monthly, quarterly, half-yearly or yearly. The minimum amount of a Regular Withdrawal is £200 per month or £2,400 per year for other frequencies.

Regular Withdrawals apply to the whole Bond – that is partial surrenders are made from all Policies. They may be made by selling selected Assets within the Bond.

Two types of Regular Withdrawals are generally available:

- fixed amount; or
- percentage of the original investment premium.

Only one type of Regular Withdrawal can apply to the Bond at any one time. However, a change from one basis to another can be done at any time by giving at least one month's notice in writing.

The start date of payments must be at least one month from the date of the investment into the Bond, or from the date of receipt of the instruction.

If you have selected Regular Withdrawals as a percentage of the original investment, the same rate of withdrawals will automatically be applied to each additional investment into the Bond.

Regular Withdrawals from an additional investment will start from the date of the next withdrawal payment due subject to this being at least one month from the date of investment into the Bond.

The minimum surrender value of the Bond after withdrawals have been taken into account must be £15,000. The minimum amount remaining in any selected Asset must be £2,500.

## Regular Withdrawals

Under charging structure two (the throughout life charge version) the maximum Regular Withdrawal amount per year is 7.5% of the amount invested. There is no maximum annual Regular Withdrawal limit for charging structure one.

Please see section 15 for information about the taxation of Regular Withdrawals.

## 14. COOLING OFF

A cancellation notice will be sent to you after the Bond has been set up. If you exercise your right to cancel within 30 days of receipt of the cancellation notice a refund will be made. The amount of the refund will be the value of the Bond having deducted any charges on disposal of the Assets, after the cancellation notice is received at Legal & General International's office in Dublin, Ireland. The payment will be as follows:

- if the total value of the Bond as described above is equal to or greater than the amount of the initial investment a full refund of the amount invested will be made; or
- if the value of the Bond as described above has fallen below the amount of the initial investment, the refund amount will be the value of the Bond.

Please note that if you cancel a Bond that was set up by using a transfer of Assets (see section 4) Legal & General International will sell the Assets transferred in order to return your investment. They will use the procedures outlined above to determine the cash amount to be returned to you.

It is important, therefore, that we have clear instructions from you as to where Legal & General International should pay any monies due.

## 15. TAXATION

If you set up the Bond with a transfer of Assets, this may generate an immediate tax liability and you should consult your adviser.

Legal & General International does not pay any capital gains tax or income tax in Ireland on investments held on behalf of its investors. Therefore, investment gains are allowed to accumulate free of these taxes.

Some income arising from the underlying investments of Assets held within the Bond may be liable to withholding tax, which, if suffered, is deducted at source from dividends and other income generated by the underlying investments. Although the Policyholder is unable to reclaim this withholding tax, it may be possible for the fund managers of the Assets that hold the relevant underlying investments, to reclaim it.

Where withholding tax has been reclaimed, the fund manager may reinvest the amount or pay a dividend or make an interest distribution. Where a fund manager elects to pay a dividend or make an interest distribution, this will be paid into the Cofunds Trading Account within your Bond. If the amount has been reinvested into the fund, this will be reflected in the value of your holding in that fund.

**The tax efficiency of this Bond depends upon how the Bond is used and your own tax position. We recommend that you seek financial advice on all aspects of taxation and to maximise the tax advantages that the Bond offers.**

## Chargeable events

This single premium whole of life investment Bond is a life assurance contract and, therefore, is treated very differently from other investments for tax purposes.

A liability to tax may arise if a chargeable event occurs.

**Chargeable events are:**

- death of the sole Life Assured (or the death of the last Life Assured);
  - assignment, or part assignment of a Policy for money or money's worth;
  - surrender of individual Policies or final surrender of the whole Bond; or
  - Regular Withdrawals or partial surrenders from individual Policies of more than 5% of the amount invested in each Policy in any policy year. The 5% per policy year 'allowance' is described below. A chargeable event only occurs when Regular Withdrawals or partial surrenders from individual policies exceed the relevant cumulative 'allowance'.
- The 5% 'allowance' enables the Policyholder to withdraw up to 1/20th of the amount invested during the policy year in which the investment is made, and in the following 19 years without triggering any immediate assessment to income tax. By making use of the 'allowance' in this way, the Policyholder would be able to withdraw 100% of the amount(s) invested over 20 years without suffering any income tax on the withdrawals at the time they were made.
  - Any unused part of the 5% 'allowance' can be carried forward cumulatively for use in future policy years. For example, if no withdrawals are taken in the first year you could withdraw up to 10% in the second year with no immediate income tax liability. Alternatively, you may decide to take withdrawals at 4% of the amount invested for 25 years.

## Chargeable gains

- If following a chargeable event it is deemed that a chargeable gain has arisen, a liability to income tax may arise. The calculation of a chargeable gain is not straightforward and you should speak to your adviser for clarification of the rules as they apply to your personal circumstances.
- Gains made on life assurance policies are subject to income tax, not capital gains tax.
- Legal & General International will issue you with a chargeable event certificate and advise HMRC where a chargeable gain exceeds certain limits.

## Other information about tax

- If you are eligible for any age allowance, working tax credit or child tax credit when a chargeable event occurs, your allowance may be reduced, which could result in an increase in the tax you pay.
- If the Bond ends due to death, the Policyholder or their estate may have a liability to income tax on any gain.
- Payments made by a transfer of Assets into the Bond may incur a tax charge on the transfer. Legal & General International will advise you of the value of Assets transferred where this occurs to enable you or your tax adviser to work out any chargeable gain.
- The above applies if an individual or individuals own the Bond. If the Bond is set up under trust, or owned by a company, please refer to your adviser for more information.
- Your adviser can provide further information on the tax treatment of the Bond, or about putting it into a trust.
- The tax details in this document are based upon Legal & General International's understanding and interpretation of current legislation in the UK and Ireland and HMRC and Irish Revenue practice, which may change.

## 16. TRUSTS

The Bond can be written in trust to help mitigate the impact of inheritance tax in the UK and you should consult your adviser in this respect.

## 17. FURTHER INFORMATION

### About Legal & General International (Ireland) Limited

Legal & General International (Ireland) Limited is a subsidiary of the Legal & General Group Plc. It is based in Dublin and writes tax efficient life insurance policies for UK investors.

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. Over 6.5 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing £287 billion worldwide (as at 30 June 2009) on behalf of investors, policyholders and shareholders.

## The relationship between Legal & General International and Cofunds Limited

Legal & General International is the product provider for the International Portfolio Bond. As a Bond customer, you have a legal contract with Legal & General International that takes the form of the Contract Document. By signing the application form, you agree to Legal & General International setting up the Bond and passing the investment sum or a proportion of it to Cofunds to invest on your behalf.

Cofunds provide a dealing and custody service for intermediaries to carry out investment transactions on your behalf. They are the owners and operators of the Cofunds Investment Platform and are the custodians of the platform funds you have selected to be held within the Bond. As part of your application for the Bond, you must read the Cofunds Customer Agreement and sign the application form stating that you agree to the terms of the Customer Agreement. The Customer Agreement gives Cofunds the authority:

- to manage aspects of the administration of the Bond;
- to hold client money whilst the Bond is being set up;
- to accept instructions from your nominated adviser; and
- to administer the Assets you have selected on a non-discretionary and non-advisory basis.

Whilst Cofunds are the custodians for the funds you have selected, the funds are the property of Legal & General International. Within the terms of the Bond, you have a right to the value of the Assets held within the Bond, but you do not have a right of ownership of the Assets themselves.

## How to contact Cofunds

For further information before deciding to invest or about a new application sent to us, please contact your adviser.

For information after completion of your Bond, either contact your adviser; or

Write to Cofunds at:

Cofunds Limited  
PO Box 1103  
Chelmsford  
CM99 2XY

## How to complain

### Cofunds Limited

If you would like to complain about any aspect of the service provided by Cofunds Limited, please write to them at the address opposite. They can also send you a copy of their complaints handling procedures on request. If you are not satisfied with their response, you may be able to complain to the:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Making a complaint will not affect your legal rights.

### Legal & General International

If you would like to complain about any aspect of the service provided by Legal & General International, please call them on: 0845 6740 803. Call charges will vary. Legal & General International may record and monitor calls.

Or write to Legal & General International at:

Legal & General International (Ireland) Limited  
Beaux Lane House  
Lower Mercer Street  
Dublin 2  
Ireland

Legal & General International can also send you a copy of their complaints handling procedures on request.

If you are not satisfied with their response, you may be able to complain to:

Financial Services Ombudsman's Bureau  
3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2  
Telephone: +353 1 662 0899

The final decision of the Ombudsman is binding on both parties subject only to appeal to the Irish High Court.

## Compensation

If Legal & General International (Ireland) Limited is unable to meet its obligations to you, you may be entitled to compensation under the UK Financial Services Compensation Scheme (FSCS). This depends on the type of business and the circumstances of the claim. Currently 90% of the value of the valid claim is covered by the scheme. You can get further information from the FSCS on their website at [www.fscs.org.uk](http://www.fscs.org.uk)

## Law

Unless otherwise stated in writing, the law that applies to the Bond is the law of England and Wales.

The Terms and Conditions and all our customer communications will only be available in English.

All communications from us will normally be by letter or telephone.



Legal & General International (Ireland) Limited

Registered in Ireland number: 440141

Registered office: Beaux Lane House,  
Lower Mercer Street, Dublin 2, Ireland.

[www.legalandgeneralinternational.com](http://www.legalandgeneralinternational.com)

Legal & General International (Ireland) Limited is  
authorised by the Financial Regulator in Ireland.

A member of the Association of International Life Offices

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