

Key Features of
the International
Core Funds Bond
from Harcourt Life

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Key Features

The Financial Conduct Authority is a financial services regulator. It requires us, Harcourt Life, to give you this important information to help you to decide whether our International Core Funds 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.

This Key Features document gives you the main points of your bond. Your illustration shows what you may get back. Please read them so that you understand your bond and keep them with your bond documents.

Its aims

- To increase the value of your investment over the medium to long term.
- To let you take money out of your bond, if you choose.
- To let you link your bond to a range of funds depending on your investment needs.

Your commitment

- To invest at least £50,000 (€75,000 or \$75,000).
- To see your bond as a medium- to long-term investment.

Risks

- The value of your bond can go down as well as up. You may get back less than paid in.
- What you get back may be less than illustrated if:
 - investment performance is lower than illustrated
 - you take more money out of your bond than illustrated
 - charges increase above those illustrated.
- If you cancel your bond within 30 days, you may get back less than you've paid in.
- The investment funds you can link your bond to have different levels of risk. The International Core Funds Bond fund guide describe the aims and level of risk for each fund.
- If you take money out of Aviva's With-Profit Fund we can pay you less than the quoted value of the amount you take out. We explain this further under the heading 'Can I take money out?'
- Changes in the tax rules or rates of tax may affect the amount you receive after paying tax or perhaps some of the tax advantages currently available for investment through offshore bonds. You'll find more information about tax in the 'What about tax?' section. Please contact your financial adviser for further details.
- The amount payable on death (life insurance version only) may be less than your single investment. We explain this further under the heading 'What happens to the bond if I die?'

- Different funds (or other assets) to which you may link your investment have different levels of risk. Your financial adviser, or your chosen investment adviser, may be able to help you understand the ownership structure under the bond, the risks involved and the implications in relation to compensation (if any) if those risks materialise.
- The aim of lower risk funds is typically to provide growth at a similar level to bank and building society interest rates, by investing in cash and cash alternatives. Returns and capital values are not guaranteed. You should be aware that the charges you pay on the fund and product may be more than the investment return you receive.
- As the bond is an insurance product and benefits from a number of tax advantages Harcourt Life International owns all the funds linked to the bond. You do not own the funds yourself. If Harcourt Life International were to fail, you may be eligible for compensation (up to 100% of the claim). You can find more information about this in the "Compensation" section. However, if the bond links to funds (or assets with funds) in an institution which fails, you may have no right to participate in any compensation scheme. This is because you are not the owner of the funds linked to the bond. The amount (if any) which Harcourt Life International may recover under such a scheme may be substantially less than the amount you might have been able to recover had you owned the asset yourself.

Questions and answers

What is an International Core Funds Bond from Harcourt Life?

- The International Core Funds Bond is now closed to new and additional investment.
- You took out your bond on either a life insurance or capital redemption basis.
- The life insurance version is an investment bond that aims to increase the value of the money invested. It also provides a payment on death.
- The capital redemption version is an investment bond that aims to increase the value of the money invested. The term for capital redemption bonds is 99 years. At the end of 99 years, we'll pay the value of your bond or, if greater, 1% more than your single investment, reduced in proportion to any units sold except for those to meet charges. This option is not available to UK resident corporate investors.

- You can link your bond to a range of funds to suit your investment needs.
- You can't invest more than a total of £1 million (€1.5 million or \$1.5 million) without our prior agreement.
- You can take out a bond with someone else.
- The life insurance version of the bond can cover a maximum of ten people's lives. The bond will end when all the people insured have died or when you cash it in. The capital redemption version does not have any lives insured and if your bond is not cashed in, it must end after 99 years.

How flexible is it?

- You can hold your bond in sterling (£), euro (€) or US dollars (\$). We call this your bond currency. You can only choose funds denominated in your selected bond currency.
- You can take money out of your bond if you choose. You can also select which funds you want to take money from. Please see our online International Core Funds Bond fund guide, available at www.harcourtlifeinternational.com for further information.
- You can ask to cash in your bond at any time.
- Your bond is automatically arranged as a series of up to 250 identical policies, which may help reduce the tax you pay. The minimum value for each policy is £1,000 (€1,500 or \$1,500).
- You can switch to other funds of the same currency.
- You can't invest more money in your bond.
- There may be an early cash-in charge if you cash in your bond during the early cash-in period (the period of time that initial charges are applying – normally 5 years).
- **Unit valuation**

Units in each fund will have a single dealing price, which will be used for all purchases, switches and disposals. Unit prices for all funds are available on our website – www.harcourtlifeinternational.com.

Units will be priced and dealt on a forward basis. This means the dealing price for a given day will be calculated on the next business day that the fund is priced.

Example:

If you make a transaction request, to cash in your bond, on a Monday, we will calculate the dealing price applicable to this transaction on Tuesday (provided no deferment of transactions applies). This price is published on the internet on Wednesday evening. This price is known as Monday's dealing price and the transaction is effective from Monday at this price. We reserve the right to calculate the dealing price less frequently but this will be at least once a month. Furthermore, switches will be processed on the next day that prices for all parts of the switch can be determined, provided no deferment of transactions applies.

- **Instructions to switch or cash in units**

When a request has been received to either switch, cash in part of the bond or cash in the whole bond, the instructions can't be withdrawn once received by Harcourt Life.

What might I get back?

- You'll get back the amount your bond is worth when you cash it in.
- The amount you get back will depend on:
 - the amount you invested
 - how well the investments have performed
 - our charges
 - any money you've already taken out of the bond
 - any early cash-in charge
 - how long you invest for
 - any market value reduction in force when the bond is cashed in
 - the effect of any guarantees.
- Your illustration gives an idea of what you might get back.

Can I take money out?

- Yes, you can take regular withdrawals or ask for a one-off payment at any time. This will affect what you get back when your bond ends and may create a liability to income tax.
- The money will be paid in your chosen bond currency.
- There are guarantees in certain circumstances if you take money out of the With-Profit Fund. If you take withdrawals out of the With-Profit Fund, you may affect these guarantees. For further information please see the section 'What are the guarantees?' in this booklet.

Regular withdrawals

- If you take out money regularly, the minimum each time is £50 (€75 or \$75). If selected at the outset, the maximum withdrawal is 7.5% of the single premium. The maximum regular withdrawal is the lower of:
 - 7.5% each year of the money you originally invested or
 - 7.5% each year of the value of your bond on the day we get your request, excluding any final bonus or market value reduction. We explain this later in this section.

Regular withdrawals are free of any early cash-in charge (please see 'What are the charges?'). In addition, uninterrupted regular withdrawals from the with-profit funds will not be subject to a market value reduction if they are 5% or less of the original investment, and are selected at the start of the bond. Regular withdrawals may be subject to a market value reduction if the withdrawals are selected at a later stage and a market value reduction is applying at the time, or Aviva have taken the decision to apply one. When a market value reduction is applied to regular withdrawals, it will apply to the whole amount withdrawn.

- The minimum amount you must leave in your bond for regular withdrawals to continue is 20% of your single investment during the early cash-in period and £1,000 (\$1,500 or €1,500) thereafter. We reserve the right to stop regular withdrawals if the bond value, or any fund value is less than the minimum amount. If you make a partial withdrawal across individual policies it may have tax implications if you are a UK resident at that time.

- If you cancel your regular withdrawal and then request a new regular withdrawal, you will have to pay a market value reduction on your new withdrawal if there is one applying at the time.

One-off withdrawals

- You can cash in part of your bond:
 - across individual policies
 - or
 - by cashing in complete policies.

We won't process your request until you tell us whether to sell units from individual policies or across all policies. Cashing in across policies may have taxation implications for some bondholders.

The minimum for a one-off withdrawal is £1,000 (\$1,500 or €1,500). This is also the minimum amount you must leave in your bond, and each fund, after any withdrawal.

If you cash in part of your bond across individual policies, we won't make an early cash-in charge as long as you keep at least 20% of the amount you originally invested in your bond. If during the early cash-in charge period, your withdrawal means that less than 20% of the amount you originally invested is left in your bond, you will have to cash in individual policies instead and this will incur an early cash-in charge. We have the right not to go ahead with the withdrawal if the value left in the bond or any fund is less than our minimum amounts.

If you are a UK resident, taking a lump sum partial withdrawal in excess of 5% of your original investment in a policy year may give rise to a liability to UK income tax.

- When you ask us to sell units, for example to switch funds, set up regular withdrawals or to cash in part or all of your bond, we will do this as soon as we can. This is usually the next day.

We will not normally delay in selling units. However, we have the right to delay in selling units and in making payment to you. This could happen when we're unable to sell the underlying investments and may be due to difficult market conditions or where the fund manager has suspended or delayed trading in the underlying investment fund. We may delay payment to you until we are able to sell the underlying investment.

After any delay, the unit price that you will receive will be the unit price that applies when we are able to sell the underlying investment. We may delay in selling units in any fund, including property funds, funds that are fully or partially invested in land or buildings, and in selling units for transactions over £250,000 (€375,000 or \$375,000). We'll tell you if and why a delay is necessary.

- Aviva may apply market value reduction if you take money out of the With-Profit Fund. This would reduce the quoted value of the amount taken out. This is most likely to happen following a large or prolonged fall in the stock markets or after a period where investment returns are regularly below the level normally expected. For more information, please contact us.

- Aviva may apply an individual market value reduction irrespective of what, if any, general market value reduction is applying if they think it's necessary to protect investors. This may affect you if you want to withdraw your money. If you've asked us to do so on the Cash Request Form, we will tell you if a market value reduction is applied when taking your money out of the fund. This gives you an opportunity to change your mind.
- If you take out amounts of more than the growth of your bond after charges, they will reduce its value.
- Payments will go direct to your bank or building society.

What are the guarantees?

Inflation protected guarantee

- Your policy conditions will confirm if your investment is in an inflation guaranteed version of Aviva's With Profit Fund. If you remain invested in one of Aviva's With-Profit Inflation Protected Guaranteed Funds for five years or more from the start of your bond, you will qualify for an inflation protected guarantee. The guarantee is that you will get back at least your original investment in the With-Profit Fund (before an enhanced allocation is applied), increased in line with inflation over the period until you move out of the fund in full on, or at any time after, the fifth anniversary.

What is the guarantee?

- If you fully move out of your chosen Inflation Protected Guaranteed With-Profit Fund at any time on or after five years, you will receive the greater of:
 - the value of any with-profit investment you have held since the start of your bond including any final bonus (minus any market value reduction), or
 - the amount you originally invested in with-profits (before any enhanced allocation is applied), plus the increase over the period of your investment in the inflation index relevant to the currency of your With Profit Fund.
- If money is taken out of the With-Profit Inflation Protected Guarantee Fund through regular withdrawals, one-off withdrawals or switches into other funds. Then the amount guaranteed will be reduced in proportion to the number of units cancelled rather than by the cash amount withdrawn. Any units cancelled to meet establishment and fund management charges will not reduce the guarantee.
- The guarantee does not apply to regular withdrawals made from your bond or if you only cash in or switch part of your with-profit investment. The inflation-linked guarantee will be completely removed automatically if during the first five years:
 - any withdrawals from the bond exceed 7.5% of the single investment in any one policy year, or
 - any withdrawals from the with-profit fund exceed 7.5% of the single investment in that fund in any one policy year.

10 year money back guarantee

- All investments in a with-profit fund at the start of your bond qualify for the 10 year money back guarantee. Under the 10 year money back guarantee you will get back the greater of the value of your investment in the With Profit Fund (before any enhanced allocation is applied) or the current value of your with-profit investment plus final bonus less any MVR's applicable at the 10th anniversary of the bond.
- To qualify for the 10 year money back guarantee, you must surrender your bond within two weeks of the 10th anniversary of your bond. The 10 year money back guarantee will be reduced in proportion to the number of with-profit units cancelled by regular withdrawals, one-off withdrawals or switches into other funds. Any units cancelled to meet establishment and fund management charges will not reduce the guarantee.

Where is my money invested?

- You can link your bond to a number of funds, in one of three currencies: sterling, dollar or euro.
- Each fund is divided into units of equal value. We use all your premium to buy units in your chosen funds.
- You can switch funds at any time. There are conditions for doing this. To help you make the right choices, you should also read our online International Core Funds Bond fund guide, which will give you information on fund objectives, and related risks. This is available at www.harcourtlifeinternational.com.
- We recommend that you consult your financial adviser to help you make a suitable fund choice for your personal circumstances.

What happens to the bond if I die?

- For life insurance bonds, when all the people insured have died, we'll pay 1% more than the cash-in value of your bond. For Aviva's With-Profit Fund, this cash-in value will include any final bonus. We'll only pay the death benefit when the last person who is insured under the bond dies.
- For both life insurance and capital redemption bonds, if there is a second bondholder alive, legal ownership passes to that person. If you are the last surviving bondholder, legal ownership passes to your legal personal representatives when you die.
- If you've arranged the bond under trust, legal ownership remains with the surviving trustees.

What are the charges?

- We charge for managing your bond. These charges will reduce the value of your bond.
- We may increase the management charge to fairly and proportionately reflect any of the following events:
 - changes in the cost of fund management
 - changes in the costs we reasonably incur when managing your bond

- changes in costs as a result of inflation, taxation, the law or decisions or recommendations of an Ombudsman, Regulator or similar person.

If we have to do this we'll tell you one month before, unless external factors beyond our control mean only a shorter period is possible.

- Fund manager expenses may be charged in addition to the annual management charge on your selected funds. These expenses are connected with buying, selling, valuing, owning and maintaining the assets. The yearly rate of the fund manager charge is updated at least once a year. The charge depends on your choice of funds. These charges are shown in the International Core Funds Bond fund guide, which is available on our website www.harcourtlifeinternational.com.
- There may be an extra charge if you make a one-off withdrawal or cash in your bond during the early cash-in period.
- These charges are taken from the value of the fund.
- If you have any questions you can phone us on 0845 300 3899.
- Your illustration shows our charges and the effect they may have on the value of your investment.
- A monthly establishment charge of 0.125% of the initial investment is made for the first five years. Please refer to the 'What are the charges?' section of your personalised illustration for details of the charge that will apply to your bond.

What about tax?

- It is your responsibility to obtain advice from your financial adviser or applicable tax authority on the taxation implications of owning the Bond.
- Depending on your country of residency a tax liability may arise as a result of investing in one of our Bonds.
- We may make a deduction from your Bond to pay this tax where we are legally obliged to do so. We'll tell you when we make such a deduction. Where there is no legal obligation on us to make a deduction, any tax liability that may arise will be your responsibility.
- If you die, tax may be payable depending on the individual circumstances at the time.
- This is only a general tax summary. The tax situation may change in the future, and, as indicated you should seek your own professional tax advice.
- Further information on taxation is set out in the personal taxation section of the technical guide.

How will I know how my bond is doing?

- We'll send you a statement each year showing how your bond is doing.
- You can check the current price of our international investment funds by:
 - calling us on **0845 300 2115 (UK local rate)** or
 - **00 353 1 802 8494 (international dialling)**
 - visiting our website at **www.harcourtlifeinternational.com**
- You can find out the current value of your bond at any time by logging on to our website once you have been set up for access.

How to contact us

- Remember, your financial adviser will normally be your first point of contact. They will have provided you with information that contains their contact details.
- If you have any questions at any time, or you want to take money out of your bond or change funds, you can phone, fax, email or write to us.



Call us on:

0845 300 2115 (UK local rate) or

00 353 1 802 8494 (international dialling)

Monday to Friday 8.30am – 5.30pm

Outside of these hours, you can use the same number and leave a message on our answerphone.

We may monitor calls to improve our service and security.

Fax: **0845 300 2113** (UK local rate)

or **00 353 1 802 8400** (international dialling)



Email:

client.services@harcourtlifeinternational.com



Office address:

Harcourt Life International,
Montague House,
Adelaide Road,
Dublin 2,
Ireland

Other information

How to complain

- If you ever need to complain, first write to us at the address above. If you're not satisfied with our response you can complain to:

Irish Financial Services Ombudsman Bureau
3rd Floor
Lincoln House
Lincoln Place
Dublin 2
Ireland

Tel: 00353 1 6620899

Lo-call: 1 890 882090

Fax: 00353 1 6620890

Email: enquiries@financialombudsman.ie

Website: www.financialombudsman.ie

This won't affect your legal rights.

Terms and conditions

- This Key Features document gives a summary of the International Core Funds Bond from Harcourt Life. You should also see the full terms and conditions. You may already have a copy or you can get one from your adviser or you can contact us direct.

Law

- Although this bond is issued in Ireland, the law of England and Wales will apply in legal disputes and your contract will be written in English. We will always write and speak to you in English.

- We are regulated by The Central Bank of Ireland whose contact details are:

The Central Bank of Ireland,
PO Box 559,
Dame Street,
Dublin 2,
Ireland

- We are authorised for the conduct of UK business by the Financial Conduct Authority (FCA) whose contact details are:

The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Potential conflicts of interest

- Occasions can arise where Harcourt Life, or their appointed officers, will have some form of interest in business which is being transacted.
- If this happens, or Harcourt Life becomes aware that its interests, or those of its officers, conflict with your interests, we will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstance. This will be done in a way which ensures all customers are treated fairly and in accordance with proper standards of business.

Client classification

- The Financial Conduct Authority has defined three categories of customer. You have been treated as a retail client. This means that you will be provided with the highest level of protection provided by the Financial Conduct Authority rules and guidance for the conduct of the sale of your bond. For example, we must provide you with information about your bond that is clear, fair and not misleading.
- Treatment as a retail client does not reduce any of the risks associated with your investment in the bond (please see "Risks" section).

Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've legal rights to compensation if at any time it's decided that you've bought a bond that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme may cover your bond if an eligible claimant is habitually (permanently) UK resident at the time when the contract commences. It may cover you if Harcourt Life International becomes insolvent and is unable to meet its obligations under this bond. You'll normally be covered for 100% of the total claim with no maximum.

For further information, see www.fscs.org.uk or telephone 0800 678 1100 or 020 7741 4100.

For more information on compensation please refer to the risk section.

Harcourt Life International Designated Activity Company trading as Harcourt Life International, is authorised by the Central Bank of Ireland (as its Home State Regulator) and is regulated by the Financial Conduct Authority in the UK for Conduct of Business Rules. If Harcourt Life International Designated Activity Company should become unable to meet its liabilities, the Financial Services Compensation Scheme may protect the eligible policyholder of a Harcourt Life International bond who is habitually UK resident at the time the contract commences.

Registered Office: Block 2, Harcourt Centre, Harcourt Street, Dublin 2. Registered in Ireland No 303257.

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