

EU OPEN
ANNUITY



KEY FEATURES OF THE EU OPEN ANNUITY



Powered by the London & Colonial...





London & Colonial EU Open Annuity

page 1

Key Features

Contents

| | | |
|-----|--------------------------------------|---|
| 1. | Introduction | 2 |
| 2. | Its Aims | 3 |
| 3. | Your Commitment | 3 |
| 4. | Risks | 3 |
| 5. | Questions and answers | 4 |
| 6. | Compliance with regulations | 6 |
| 7. | Information | 7 |
| 8. | Advice | 7 |
| 9. | Insurer | 7 |
| 10. | Your right to change your mind | 8 |
| 11. | Law | 8 |
| 12. | Gibraltar's strengths | 8 |
| 13. | Complaints | 9 |
| 14. | Investor protection | 9 |

page 2

Please note that the EU Open Annuity is not appropriate for everybody and it is essential that you obtain financial advice before entering into one.

Your adviser should always be your first point of call for advice about the EU Open Annuity.

Should you however require any further information specifically about London & Colonial please call us on:

UK: +44 (0)203 640 6840

Gibraltar: +350 200 75812

Or visit our website:

www.londoncolonial.com

1. Introduction

Generally, pension schemes allow the fund that has built up to be used to buy an annuity.

The EU Open Annuity may be purchased using funds from a non UK pension scheme provided that you do not require a guaranteed level of income.

Conventional annuities offer guarantees of income levels but the annuity rates offered are widely regarded as unattractive. There is no facility for you to control the investment of the funds backing your annuity and the charges made are not transparent.

The EU Open Annuity gives you flexibility and control over both the income you take and the investments you select.

Please read these notes carefully and it is essential that you obtain financial advice on whether the EU Open Annuity is suitable for you.



2. Its Aims

- To enable you to choose the level of your income each year.
- To enable you to control the investments within your EU Open Annuity.
- To enable you to provide an income to your surviving spouse, civil partner, financial or other dependant after your death for the rest of their life.

3. Your Commitment

- To instruct a payment of your pension fund into the EU Open Annuity.
- To continue to receive income payments from us for the rest of your life.
- To appoint an adviser to manage the investments within your fund.

4. Risks

- The value of your EU Open Annuity depends on the success or otherwise of the underlying investments. The value of your investments and your income payments can fluctuate and are not guaranteed - see section 5.3.
- The investment of your fund will be the responsibility of the investment adviser that you nominate (subject to our consent). We have no responsibility for any investment decisions or for the performance of the investments that are made.
- If income is to be continued to a dependant after your death, dependency will be assessed at the date of death. An annuity for a spouse or civil partner may be paid regardless of dependency.
- The EU Open Annuity cannot be cashed in at any time unless this would be permitted by the rules of the pension scheme that paid the premium to us.
- We cannot guarantee the future tax treatment of your investments or your income.

page 3

5. Questions and answers

5.1 Who can have an EU Open Annuity?

The EU Open Annuity is available to anyone who is a member of a pension scheme outside the UK provided that the scheme rules and the relevant regulation permit.

Please note that the EU Open Annuity cannot accept money that is required to be applied to provide a guaranteed level of income.

5.2 What about investments?

You choose a person or firm (who must be suitably authorised in the jurisdiction where the advice is given) to advise on the investments. You and your chosen investment adviser will agree the strategy and basis upon which investments are to be made.

The investments are as safe or as risky as you or your nominated investment adviser choose. You decide whether to stay in cash or invest in other permitted investments. Please see our permitted investments leaflet for further details.

Some investments and transactions that are not allowed:

- Loans to you or any other person
- Individual equities or stocks not quoted on any Stock Exchange
- Personal chattels such as paintings
- Assets the price of which you can control or influence

We reserve the right to refuse any investment request if we consider that it would be likely to carry unacceptable risks for us as owner or require unduly complex administration or if we consider that it would not comply with any relevant legislation. A minimum cash balance must be maintained to enable up to one year's maximum income to be paid if needed. Please also refer to our investment notes for more details on investment procedures.



5.3 What are my income options?

You may choose the level of your income payments between maximum and minimum amounts that we advise you from time to time.

We will calculate the maximum as 120% of the amount of guaranteed income that your fund could have purchased from another insurer. The minimum will be 50% of that income.

We will review the limits from time to time. The limits may go up or down and reviews will take place at intervals not exceeding three years. On each policy anniversary we will send you details of the revised income levels that would apply if a review were to take place at that time. You may request a review at any time but it will be subject to an extra charge if not carried out on the policy anniversary (see separate policy charges leaflet)

You may choose to have your income paid monthly, quarterly, half-yearly or annually. You may also choose to receive additional payments during any year if you are not already in receipt of income of the maximum permitted for that year. Income payments may be subject to the deduction of tax - see section 5.6.

5.4 Can I change to a guaranteed annuity?

page 5

Yes. You have the option at any time to request that the value of your EU Open Annuity be used to provide a guaranteed level of income. This income may be secured by a replacement annuity with an insurer of your choice on whatever terms may be offered at that time.

5.5 What happens to the fund when I die?

No further payments of income will be made after you die and your annuity will then stop.

If you have chosen that the fund remaining on your death is to be used to provide an income for your surviving spouse or a dependant the fund will form the basis of a new annuity to that person. In this case payments will continue to that person subject to new maximum and minimum amounts. No further income payments will be made after that person's death.

5.6 What tax applies?

Under current law the investments made with your EU Open Annuity are exempt from Gibraltar taxes on income and capital gains (any tax deducted at source from payments received from another jurisdiction may not be able to be reclaimed).

Your income and any cash sums payable following your death will be subject to the deduction of tax if we are required to make such deductions by any relevant authority.

5.7 What are the costs?

Details of the charges are set out in our policy charges leaflet.

The charges will be deducted from that part of your fund that is held in cash as and when they become due. If insufficient cash is held, your investment adviser will be asked to arrange for sufficient investments to be encashed to cover the charges then due.

Any charges levied by any bank holding funds attributable to the policy and all charges made by custodians and investment managers will be payable in addition and will be deducted from the funds held.

5.8 What should I do now?

You should read this document carefully so that you understand what you are buying, and then keep it in a safe place for future reference.

6. Compliance with regulations

The EU Open Annuity complies with the Gibraltar regulations relating to annuities used to provide income from funds accumulated in pension schemes that qualify for tax reliefs.

We will also comply with whatever requirements are notified to us by any other relevant authority in the jurisdiction where you are resident or where the pension scheme that transferred money to us was established.



7. Information

You will receive a statement of your EU Open Annuity account every year, or more often if required, showing all transactions and charges. A valuation of the assets held will also be included.

8. Advice

It is a requirement before we issue your EU Open Annuity that you obtain advice and that you continue to receive advice from a person appropriately authorised in the jurisdiction where the advice is given.

We do not give advice ourselves on whether an EU Open Annuity would be suitable for you or on the merits of any investment, whether proposed or currently held. Decisions on whether any particular investment may be purchased are the responsibility of the authorised person appointed. We reserve the right to reject any investment as explained in Section 5.2.

9. Insurer

The EU Open Annuity Insurer is London & Colonial Assurance PLC, Suite 3A and 3B, Eurolife Building, Corral Road, Gibraltar, GX11 1AA, PO Box 1175 – Tel: +350 200 75812. The Insurer is licensed by the Gibraltar Financial Services Commission under the Insurance Companies Ordinance 1987.

Annuity payments are made from the UK by London & Colonial Services Limited, 38-42 Perrymount Road, Haywards Heath, West Sussex RH16 3DN United Kingdom – Tel: +44 (0)203 640 6840 Fax +44 (0)203 479 5506.

All enquiries and correspondence should be sent to London & Colonial at the address in the UK shown above.

page 7

10. Your right to change your mind

You will normally have 30 days to change your mind about any payments made to the EU Open Annuity.

On receipt of your application we will send you a cancellation notice giving you 30 days in which to change your mind about continuing with your EU Open Annuity.

If you wish to cancel simply complete the cancellation notice and return it to us.

If you do not wish to cancel your EU Open Annuity, please ignore the cancellation notice.

If you change your mind within the cancellation period we will return any transfer payments received to the scheme that sent the payment to us.

Please note that it may not be possible to return the transfer payments received to the original scheme. In this case you would need to arrange for another scheme to accept the transfer or an alternative insurer to provide you with an annuity.

Any money that we have received will be returned but if any of this money has been invested it is possible that you will get back less than we received due to fluctuations in the market value.

11. Law

The EU Open Annuity is subject to Gibraltar law.

12. Gibraltar's strengths

Gibraltar has one of the best-regulated financial centres in the world, and is widely regarded in Europe and the USA as a benchmark jurisdiction in terms of supervisory infrastructure.

It has implemented all EU Directives relating to the insurance business, and its regulatory and supervisory infrastructure matches all relevant UK standards.



13. Complaints

We are committed to providing a high quality of service in accordance with best industry practice.

The EU Open Annuity Insurer is regulated by the Financial Services Commission in Gibraltar.

We hope you should never need to complain, but if you do please contact us in the first instance. Copies of our complaints handling procedure are available on request.

Complaints concerning the underlying investments of your fund should be made directly to the investment provider concerned in accordance with their complaint procedure.

14. Investor protection

Compensation arrangements apply only in certain jurisdictions – please see our investor protection leaflet for further details.

Please note:

This is a summary only; the full terms of the EU Open Annuity are contained in the Policy Conditions.

Further information is available on our website at www.londoncolonial.com

Your professional adviser will be pleased to provide any additional explanations or information that you may need. You may also obtain information from London & Colonial Services Limited in the UK – address as shown in section 9.

page 9



LONDON &
COLONIAL



KEY FEATURES

The annuity that offers maximum flexibility

For more information about any of our products please scan the QR code below or contact:

t: 0203 640 6840

f: 0203 479 5506

w: www.londoncolonial.com

e: IFASupport@londoncolonial.com



London & Colonial Holdings Limited, London & Colonial Services Limited, London & Colonial Central Services Limited and London & Colonial Trustees Limited are registered in England and Wales. Registered numbers 4093489, 2966313, 7966194, 2275364 respectively. Registered office at 38-42 Perrymount Road, Haywards Heath, West Sussex RH16 3DN. London & Colonial Services Limited is authorised and regulated by the Financial Conduct Authority. London & Colonial Assurance plc and London & Colonial (Trustee Services) Limited are registered in Gibraltar. Registered numbers 80650 and 102550 respectively. Registered office PO Box 199, 57-63 Line Wall Road, Gibraltar. London & Colonial Assurance plc and London & Colonial (Trustee Services) Limited are authorised by the Gibraltar Financial Services Commission.

