

Prospectus

Capital Builder Worldwide

Flexible Contribution Contract



HANSARD
WORLDWIDE

Important notes

This document is provided in addition to, and does not replace the Contract Terms and Conditions and Schedule One. You should read this document carefully along with the Key Information Document to fully understand the contract features before you apply.

We will not send you printed copies of your contract documents, but when your contract is issued we will send you an email notification that these documents, including the full terms and conditions, are available on your Online Account. A sample copy of the contract documents is available from your independent financial advisor.

This document is provided for information only – it is not an offer to purchase. Hansard do not provide advice regarding the suitability of this contract – this product is only available for sale through independent financial advisors who will act as your agent for the contract, and who will represent you in all relevant matters.

Capital Builder Worldwide

Capital Builder Worldwide is a unit-linked insurance contract that allows for the flexible investment of lump-sum contributions on a one-off, ad hoc, or regular basis. A minimum total contribution of GBP 15,000 is required over the first three years of the contract, however you do not specify a contract term.

The aim of the contract is to benefit from the potential medium- to long-term increase of the value of your savings by investing the contributions you make over the contract term into the Hansard International Series 2 unit funds ('Hansard unit funds') – a range of unit-linked investments that are created, priced and administered by Hansard International Limited ('Hansard International').

Target customer

Capital Builder Worldwide is suitable for clients aged 18 years or older who have at least GBP 15,000 to invest over the first three years and may wish to invest further amounts on a flexible basis over the medium-to-long term to achieve a financial goal.

The contract is intended to suit internationally-minded clients - it is not tied to your current country, and it gives you access to a broad range of international investment options in various currencies. This has a higher element of risk associated with it, but offers the potential for greater returns than may otherwise be available to you.

Product type

The contract can be set up as either a life assurance or capital redemption contract, and this will determine what benefits are payable upon death. This cannot be changed later. Please refer to our 'Product Types Explained' document (HWL101) for more details.

Life assurance contracts must have at least one life assured and may have a second. These cannot be changed once your contract has started. The death benefit will become payable when the life assured dies (or for joint lives assured, either the first death for joint-life first-death or the second if it is joint-life last-survivor) and at this point the contract will end.

The standard death benefit sum assured is 101% of the contract value, but this will be reduced to 101% of the surrender value if the life assured is more than 75 years old (or for a joint-life first-death contract if either of the lives assured is more than 75 years old, or for a joint-life last-survivor contract if both of the lives assured are more than 75 years old) on the commencement date.

A life assurance contract does not have a fixed term – it will continue for as long as the lives assured are alive, or until the contract is surrendered.

Capital redemption contracts have no lives assured but have a fixed term of 99 years. On the death of the contract holder(s), ownership passes to the contract holder's personal representatives or beneficiaries and the contract continues for the remainder of the original term, or until it is surrendered.

Hansard unit funds

Hansard unit funds are a specific form of open ended collective or pooled investment offered only through Hansard's unit-linked insurance contracts. They each invest into one or more underlying external funds, managed by some of the world's leading global asset managers, covering a wide range of currencies, geographic regions and industry sectors.

Hansard unit funds will broadly track the price and performance of the underlying external funds, but there will be small differences due to the pricing basis used, variable fund administration costs that are incurred, and a positive or negative cash balance that may be held in the Hansard unit fund to facilitate the dealing process and required liquidity.

The Hansard unit funds do not have a bid-offer spread charge, and all transactions and valuations are performed using the relevant bid price.

Your contract will hold units that represent your share of the relevant Hansard unit funds, but Hansard International are the legal owners of the underlying assets.

Your contract value is determined by the value and performance of the Hansard unit funds that you have selected. This value may go down as well as up, and can vary on a daily basis. Future returns are not guaranteed.

More details of the Hansard unit funds are available in the Hansard International documents "How our unit funds work" (HO22680), "Hansard International Series 2 Unit Fund Range" (HO21230) and in the relevant fund factsheets for each of the Hansard unit funds – all of these are available from your independent financial advisor.

Contributions

Initial contribution options

Lump-sum contributions

You may start your contract with a lump-sum contribution of GBP 1,500 or above, and further lump-sum contributions of GBP 1,500 or above may be made at any time.

Regular contributions

Regular contributions may be made either monthly, quarterly, half-yearly or yearly. Minimum contributions apply as shown below:

	GBP
Monthly	500
Quarterly	1,500
Half-yearly	3,000
Yearly	5,000

Where contributions are made in a different currency, the minimum amounts that apply will be the GBP figures shown converted using the applicable exchange rate.

Minimum contractual contribution

You are required to invest a minimum of GBP 15,000 over the first three years of your contract otherwise a one-off charge will apply (the additional charge, as shown on page 5).

Changing your regular contributions

If you are making regular contributions, you may increase the contribution amount at any time. There is no minimum increase. You may also stop or reduce (subject to the minimums shown above) without penalty.

Additional lump-sum contributions

You may make additional lump-sum contributions at any time, subject to them being GBP 1,500 or above.

Making contributions

All contributions should be made by bank instruction letter; this may be to make a one-off telegraphic transfer, or to set up a standing order of a regular contribution amount at specific intervals. Your bank may apply a transaction charge for this.

Contract currencies

The contract is available in GBP, USD and EUR. Where contributions are made in a different currency to the contract currency, the amount will be converted using the applicable exchange rate.

Unit types and allocation

100% of each contribution will be allocated into accumulator units.

All contributions are invested into the same contract and form their own proportion of the contract. This proportion is used to calculate any charges and withdrawal allowance due.

Taking money out early

Capital Builder Worldwide requires that the investment is held for at least five years after a contribution has been paid, otherwise additional charges will apply.

It is important to note that if you take withdrawals or if you surrender your contract within five years of a contribution payment, then this could result in you getting back less than the illustrated fund value and possibly less than the total amount you have contributed.

The proportion each contribution forms of the contract is calculated by dividing the value of the contribution being made by the contract value, immediately after it has been allocated. The proportions are recalculated each time a contribution is paid or a withdrawal is taken.

Withdrawals

Capital Builder Worldwide provides a yearly allowance such that withdrawals may be taken without incurring additional charges. The allowance is calculated each year as 10% of the total contributions paid in the last five years, plus any unused allowance that has been carried forwards from the previous year.

The allowance may be carried forward for up to five years after a contribution has been paid, and after this point then all of the units still linked to that contribution are available to be withdrawn without incurring additional charges.

During the five years following a contribution, any surrender or withdrawal amount that is greater than the available allowance at that point will incur the discontinuance charge that applies to each contribution (see page 5 for details). We always take withdrawals from the units linked to the oldest contributions first.

Full surrender

The surrender value of your contract will be the value of all units held, less the value of any discontinuance charge, and the additional charge if applicable (see page 5). Bank transfer costs may apply.

Cancellation rights

If you change your mind once your new contract starts, there is a cancellation period during which time you may cancel the contract without penalty. When we issue the documents for your new contract, we will send you details of how to cancel your contract, and you will have 30 calendar days from receiving these documents to request this. You may also cancel before you receive your contract documents by contacting us or your independent financial advisor.

If you do decide to cancel, we will give you your money back, unless the value of the Hansard unit funds you have invested in has fallen, in which case you will get back the Hansard unit fund available at that time which may not be the full amount you paid in. However, no contract charges or penalties will be deducted.

These cancellation rights also apply to any additional contributions that you may make, effective from the date each contribution is allocated.

Charges

All charges associated with this contract are reflected in the table below:

Allocation	All contributions are allocated at 100%.															
Annual management charge	The annual management charge is 1.5% per year based on the value of the fund. The charge is applied daily, and is reflected in the quoted Hansard unit fund price.															
Establishment charge	An establishment charge of 1.2% per year of the value of each contribution, and will be deducted from your accumulator units at the start of each quarter for the five year period following each contribution (0.3% per quarter).															
Service charge	GBP 162 per year whilst the total net contribution is less than GBP 15,000. This charge is deducted from your accumulator units at the end of each month (GBP 13.50 per month). Total net contribution is calculated as the total contributions paid, less any withdrawals taken and discontinuance charges applied.															
Discontinuance charge	<table border="1"> <thead> <tr> <th>Year after contribution payment date</th> <th>Discontinuance charge</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>7.5%</td> </tr> <tr> <td>2</td> <td>6.0%</td> </tr> <tr> <td>3</td> <td>4.5%</td> </tr> <tr> <td>4</td> <td>3.0%</td> </tr> <tr> <td>5</td> <td>1.5%</td> </tr> <tr> <td>6+</td> <td>0%</td> </tr> </tbody> </table>	Year after contribution payment date	Discontinuance charge	1	7.5%	2	6.0%	3	4.5%	4	3.0%	5	1.5%	6+	0%	Each contribution that you make forms a proportion of the contract value and each proportion will have a discontinuance charge which applies over the five years following the contribution. This charge is calculated as a percentage of the value of the units sold for a withdrawal or full surrender, after any allowance for that contribution has been accounted for. The discontinuance charge that applies to a contribution reduces each year after the contribution payment date as illustrated in the table.
Year after contribution payment date	Discontinuance charge															
1	7.5%															
2	6.0%															
3	4.5%															
4	3.0%															
5	1.5%															
6+	0%															
Additional charge	A one-off additional charge of GBP 400 will be deducted from the accumulator units if, on the third anniversary of the contract start date, the total contributions paid is less than GBP 15,000. If the contract is fully surrendered before the third anniversary and the total contributions paid is less than GBP 15,000 then the additional charge will be deducted from the surrender value prior to payment.															
Fund administration costs	Hansard unit funds invest into underlying external assets. These assets have their own annual management charges and fund administration costs which are applied by the relevant fund managers. These charges, along with other variable dealing, custody and fund administration costs incurred, are reflected in the quoted Hansard unit fund price and may vary at any time without notice.															
Switching charge	<p>You may instruct us to process a switch transaction using our online service, and there is no charge for this. If you request a manually-processed switch, this will be charged at GBP 45 per switch, deducted from your accumulator units.</p> <p>Switching is performed on a bid-price to bid-price basis, which means that there is no extra cost applied during the sale and purchase of Hansard unit funds. You cannot switch units between separate contracts.</p>															
Redirection	You may choose to redirect your future regular contributions into a different selection of Hansard unit funds than those which you currently hold. This is referred to as a "redirection" and may be requested at any time without charge.															
Currency conversion costs	There is a foreign currency conversion cost whenever a transaction is performed across different currencies, for example where you make a contribution in a different currency to the contract currency, or where you request a switch between Hansard unit funds that are denominated in different currencies. Details of the rates used are available on request.															
Bank transfer charge	When we pay money to you then a bank transfer charge may apply. The amount of this charge varies depending on the currency of payment and the location of the recipient's bank account. Your own bank may also apply a transaction charge when sending or receiving money.															

Monetary charges are expressed and applied in GBP. Charges will be converted to the currency of the contract at the date the charge is applied. Charges are reviewed on a yearly basis – normally during July – to reflect changes in inflation, and may be increased without notice.

Risks

Capital Builder Worldwide does not have any guarantee or capital protection included, and therefore you may not get back the full amount of the contributions you pay. The investment options available within this contract have different degrees of risk, and therefore volatility. Their values may change significantly on a daily basis.

Your independent financial advisor can provide you with a personalised risk profile and illustration. These demonstrate the impact of contract charges and potential growth depending on your risk appetite.

The other key risks associated with this contract are as follows:

Change of circumstances: If your circumstances change then this may mean that you need to withdraw money from your contract, or need to surrender your contract early. There may be contract restrictions that prevent you from taking money when you need, and can result in the risk of you getting back less than you have contributed.

Advice risk: Your independent financial advisor is acting on your behalf, and has recommended Capital Builder Worldwide based on their analysis and understanding of your financial circumstances and future needs. If you have not provided all of the necessary information to your independent financial advisor, or if their analysis does not match your expectations then there is a risk that this product may not be suitable for you.

Risk-reward profile: In exchange for a higher degree of risk, Capital Builder Worldwide provides the opportunity for potentially higher returns than may otherwise be available to you. You must be prepared to accept the risk that you may not get back as much as you have contributed.

Investment risk: The Hansard unit fund options available for this product have different features and risk profiles. The level of risk and potential investment performance will depend on the Hansard unit funds you choose. You should ensure that you are aware of the risks and read the relevant fund literature. It is your responsibility, in conjunction with your fund advisor, to select the most appropriate Hansard unit funds to match your risk profile.

Currency risk: You may be exposed to a currency risk if, for example, your contract, contributions, or Hansard unit funds are denominated in a different currency than the one in which you plan to take the future benefit from your contract.

Liquidity risk: During the term of the contract, there may be instances where the Hansard unit funds you are invested into are suspended, during this period you will be unable to buy or sell those Hansard unit funds.

Tax risk: Any changes in law may affect the tax treatment of your contract, which could reduce the amount you get back. Please note that we cannot provide tax advice; you should seek professional advice about your tax circumstances.

Regulatory risk: Any changes to regulatory requirements that may occur during the life of your contract could affect the way you or we manage your contract.

Counterparty risk: Your contract is with Hansard Worldwide Limited and is reinsured with Hansard International. You may be exposed to counterparty risks that include, but are not limited to, the continued provision of services by Hansard International, the valuation of your contract, and the ability to withdraw money.

Inflation risk: Although inflation can reduce the 'buying power' of money over time, the rate of inflation is not guaranteed and can also vary significantly by country. This could mean that the value of your contract could be eroded over time, and that the future value of your contract may be worth less in real terms than the total contributions that you have made.



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