



Key Features



CARDIF PINNACLE
BNP PARIBAS GROUP

Key Features of the Guaranteed Bond from Cardif Pinnacle.

The Financial Services Authority is the independent financial services regulator. It requires us, Cardif Pinnacle, to give you this important information to help you decide whether our Guaranteed 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 provides you with the information you need to know about the Guaranteed Bond. Please read it carefully before you invest.

It provides information such as:

- The minimum and maximum amounts that you can invest
- The investment periods available
- The types of income options available
- The amount you may receive if you surrender your Bond

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Its Aim

To provide you with, an annual or monthly income or capital growth over a chosen investment period of either 1, 2, 3, 4 or 5 years (1 to 5 years).

OR

Capital growth over a chosen investment period between 6 months and 2 years.

AND return of your original investment in full at the end of the chosen investment period.

Your Investment

You can invest a lump sum between £10,000 and £250,000 over a fixed period of 1 to 5 years. However if you choose to receive monthly income the minimum investment is £25,000

OR

You can invest a lump sum of at least £100,000 over a fixed investment period between 6 months and 2 years.

Risk Factors

- If you surrender your Bond before the end of your chosen investment period, the amount you get back may be less than your original investment.
- A rise in interest rates may make the fixed rate of return seem less attractive.
- If you use your right to cancel your Bond, you may not get a full refund of the money you have paid. This may happen if the value of your investment falls before we receive your cancellation form.

QUESTIONS & ANSWERS

The following questions and answers provide details about the main features of the Guaranteed Bond. The example illustrations at the rear of this Key Features Document show the possible future values of the Bond and the effect of any charges applied.

What is the Guaranteed Bond?

It is a single premium life assurance plan which can provide you with either:-

A guaranteed annual or monthly income over your chosen investment period of 1 to 5 years plus the return of your original investment at the end of your chosen investment period.

OR

A guaranteed level of capital growth plus the return of your investment at the end of your chosen investment period of 1 to 5 years.

OR

A guaranteed level of capital growth plus the return of your original investment at the end of your chosen investment period between 6 months and 2 years.

How much can I invest?

The minimum investment for the annual income or growth option over a chosen period of 1 to 5 years is £10,000 and the maximum is £250,000*.

The minimum investment for the monthly income option over a chosen period of 1 to 5 years is £25,000 and the maximum is £250,000*.

*Larger investments may be accepted at the Company's discretion.

The minimum investment for periods between 6 months and 2 years is £100,000.

Additional funds cannot be added to your Bond, but you can have more than one Guaranteed Bond with us.

What is the Guaranteed Income option?

This provides you with either a guaranteed level of annual or monthly income throughout your chosen investment period. You must choose your income option at the start of your Bond and you cannot change the way you receive your income payments during your chosen investment period.

What is the Guaranteed Growth option?

This provides you with a guaranteed level of capital growth, which you will receive at the end of your chosen investment period.

Are my Income or Growth payments and return of my Capital guaranteed?

Your income or growth payments and return of your capital are guaranteed provided you do not cash in your Bond before the end of your chosen investment period.

What happens if interest rates change?

The rate of interest applicable to your Bond is fixed at outset and will not change if interest rates rise or fall during your chosen investment period.

Who can invest in a Guaranteed Bond?

Anyone aged between 18 and 80 years of age can take out a Guaranteed Bond. Applications by investors over 80 years of age may be accepted at the Company's discretion.

Can I invest with another person?

You can take out a Guaranteed Bond with someone else, usually a spouse or partner. Please refer to the guidelines on the application form for joint applications.

Can I assign my Bond?

Assignment of the Bond will be permitted to a spouse, civil partner, common-law partner OR any third party by way of gift. It may also be assigned by way of mortgage or charge. Procedures for requesting an Assignment are set out in the Terms and Conditions.

What is the death benefit?

If the life assured is aged 80 or younger when the Bond is taken out and the investment amount is less than or equal to £250,000, the amount payable on the death of the life assured will be the greater of either: -

- The original investment amount

OR

- 101% of the surrender value at the time of death.

If the life assured is over 80 when the Bond is taken out, or the investment amount is the greater than £250,000, the amount payable on the death of the life assured is 100.1% of the surrender value at the time of death.

The limit of £250,000 applies to the total investment amount of all bonds held with Pinnacle Insurance plc.

For Bonds written on a joint life basis the death benefit will be payable after the death of the second life assured and the age of that person when the Bond was taken out will apply.

Can I cash in my Bond early?

You may surrender your Bond for a cash value before the end of your chosen investment period.

The surrender value will be calculated by us according to market conditions at the time of surrender and may be less than the amount you originally invested.

What is the extension option?

This option is only available if you have a Growth Bond.

We will write to you a month before your Bond is due to mature and offer you the option to extend the investment period of your Bond. Provided you are aged 80 or younger, the Bond can be extended for a further 1, 2, 3, 4 or 5 years, or, if the value of the policy is at least £100,000 for a fixed period between 6 months and 2 years. The rate of interest applicable for the extension will be based on the rates applicable at the date the option is exercised. We will retain the maturity value of your Bond and send you a revised Bond Schedule showing the revisions to your Bond.

What about tax?

- The proceeds of the Bond are paid free of any personal tax liability to Income Tax at the basic rate, currently 20%.
- Any payments from the Bond are payable free of any personal liability to Capital Gains Tax.
- Some additional tax may be payable if you pay Income Tax at the higher rate of 40% or the payments from your Bond take you into the higher rate tax band. This will not be deducted by Cardif Pinnacle as you will hold separate liability.
- Entitlements to Age Allowance may be affected by any taxable gains arising from regular, surrender or maturity payments.
- Tax cannot be reclaimed by lower rate or non-taxpayers.
- If you die before end of the chosen investment period some tax may be payable.

Please consult your Independent Financial Adviser for any further information. All printed materials reflect information as at the time of print and are based upon Cardif Pinnacle's understanding of current tax levels, bases and reliefs, all of which are subject to change at any time.

How much will advice cost?

If you have received advice, your adviser will give you details about the cost. The amount may depend on the size of the investment and may be paid out of deductions.

FURTHER INFORMATION

Cancellation rights/Can I change my mind?

We will send you a notice providing you with 30 days in which you can change your mind and cancel your Bond. There is no charge if you decide to cancel; however, the value you receive may be lower than your original investment depending on prevailing market conditions.

This notice will be sent to you once your proposal has been accepted.

If you wish to exercise your right to cancel please send your cancellation notice to; The Investments Department, Cardiff Pinnacle, Pinnacle House, A1 Barnet Way, Borehamwood, Herts, WD6 2XX, 0844 543 1007.

Charges and Expenses

Administration and other costs are taken into account when calculating the interest rate of the Bond.

An additional charge may be applied if the Bond is surrendered before the end of the chosen investment period and the amount payable will depend on market conditions at that time. This may result in the amount payable on surrender being less than the amount originally invested.

Insurable Interest

The Guaranteed Bond is a life assurance plan and as such the Bond Owner must have an insurable interest in the life of the life assured. An individual has an insurable interest in themselves.

Law

The parties to this contract are free to choose the law applicable to it, but without any agreement to the contrary. English Law will apply unless you live in Scotland, Wales or Northern Ireland when you will be entitled to commence legal proceedings in your local courts.

Queries and complaints

If you require copies of the full Terms and Conditions of the Bond or any further information please contact; The Investment Department, Cardiff Pinnacle, Pinnacle House, A1 Barnet Way, Borehamwood, Herts WD6 2XX.

It is always our intention to provide a first class standard of service, however, if you have any concerns about any aspect of the service you have received, please contact; The Customer Relations Department at Cardiff Pinnacle. Should you remain dissatisfied with the outcome of any internal enquiries, you have the right to refer your complaint to the Financial Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London E14 9SR. telephone 0845 080 1800. However there are some instances when FOS cannot consider complaints. This procedure will not prejudice your right to take legal proceedings.

A leaflet describing our full complaints/appeals process is available from Cardiff Pinnacle on request.

Compensation

The Bond is underwritten by Pinnacle Insurance plc. Pinnacle Insurance plc is covered by the Financial Services Compensation Scheme (the Scheme). You may be entitled to compensation from the Scheme if Cardiff Pinnacle cannot meet its obligations. This depends on the type of business. Most types of insurance business are covered 100% for the first £2000 of a valid claim and 90% for the remaining amount of the loss. Further information about compensation arrangements is available from the Financial Service Compensation Scheme telephone 020 7892 7300 or www.fscs.org.uk.

Recording of Telephone Calls

We may record telephone calls for reasons of security, to resolve complaints and improve the quality of our service. Any personal details or other information that you discuss with us over the telephone will be treated as completely confidential.

Investment Details

When you invest your money in a Guaranteed Bond you will receive the Bond Terms and Conditions, which set out the terms and conditions of the legally binding contract between you and Pinnacle Insurance plc.

Pinnacle Insurance plc reserves the right to refuse an application.

Cardif Pinnacle is a trading style of Pinnacle Insurance plc.
Pinnacle Insurance plc is authorised and regulated by the Financial Services Authority

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