LONDON & COLONIAL

Fair Value Assessment – International Bond

Assessment Date: April 2026

This information is only intended for professional advisers and intermediaries such as Financial and Investment Advisers. It is not intended for customers' use.

The information provided is designed to help you understand the value that the International Bond, issued by London & Colonial Assurance PCC Plc ('LCA'), provides to your customers in line with the Financial Conduct Authority's ('FCA') Consumer Duty Policy Statement PS22/9 and Finalised Guidance FG22/5.

Overview

Our Product Governance Committee scrutinises the suitability of both open and closed products and ensures they continue to offer fair value to customers.

We aim to develop products that deliver good outcomes for customers in our identified target markets. Our product development process is designed to ensure we act in good faith, avoid causing foreseeable harm to customers, and enable and support customers to pursue their financial objectives.

Fair Value Assessment Summary

Our assessment confirms:

- The International Bond will meet the needs of our customers.
- The International Bond will provide fair value to our customers when considering all the features, services, and on-going pricing.
- The distribution channel for this product is appropriate.

Our assessment is based on our understanding of the current legislation as at the assessment date. Tax regulations are subject to change and will depend on your client's personal circumstances.

Within your assessment you should consider any additional fees being charged to your clients for services not facilitated by us, including any fees for advice being received.

Product Description – International Bond

The International Bond is a single premium unit-linked offshore life assurance bond which is split into between 500 and 99,999 identical sub-policies. It can be written either on a Life Assurance basis with up to 6 Lives Assured or a Capital Redemption basis, with a maturity period of 99 years. It is designed for individuals seeking medium to long-term growth through investing in a wide range of permitted investments.

Product Features

- To enable your client or the Investment Adviser (including Discretionary Fund Managers) the control to invest in a wide range of permitted investments.
- No Gibraltar corporation tax on any income or gains made within the investments. There is no Capital Gains Tax on any gains.
- Flexibility gives your client the ability to build up capital or take withdrawals. Withdrawals can be taken as one-off or regular payments at any time.
- Withdrawals can be structured so that immediate income tax can be deferred by using the 5% Tax Deferred Allowance, as your client is UK-resident.
- Ability to surrender one or more of the sub-policies.
- Absolute and Discretionary Trust options are available to help with estate planning and quick payment in the event of death.
- Allows additional investments to be added to the product at any time.
- On death of the last surviving life assured a death benefit of 101% of the value will be paid. Please refer to the International Bond Terms and Conditions for further details on the calculation of the death benefit.

Target Market

The International Bond is suitable for individuals and/or trustees who meet each of the following criteria.

- Clients who are UK-resident or domiciled in the UK and who have attained a minimum age of eighteen. There is, however, no upper limit on a client's age.
- Clients who are considering a medium to long-term horizon for their investment, typically a timeframe of more than seven years. Such clients understand and are also willing to accept the risks that accompany their investment goals. These include investment risks, Inheritance Tax risks and other external risks.
- Clients who have private wealth or disposable income which is not needed for day-to-day living expenses, and which has not been allocated to meet specific short-term needs.
- Clients who have an outlay of more than GBP 50,000/ EUR 60,000 / USD 70,000 and those who typically make maximum use of their yearly Individual Savings Account ('ISA') and pension contributions(s).
- Clients who wish to invest a lump sum for either IHT planning purposes, and/or for estate planning purposes, and/or for wealth creation/wealth management purposes.

Not suitable for

- non-UK residents.
- those aged seventeen or under.
- those who are not prepared to accept the risk of potential investment losses.
- those who want full access to their investment or a guaranteed return in the short-term.
- those who have no other savings i.e. emergency funds.
- those that have not exhausted other available tax allowances e.g. ISAs.

Product Distribution

This product is available through Financial Advisers on an advised basis.

The Financial Advisers that sell this product need the appropriate permissions from the Financial Conduct Authority and a current Terms of Business Agreement with London & Colonial Assurance PCC Plc.

Products and services

- We have assessed the International Bond and are satisfied that the features and services help our customers achieve their financial objectives while mitigating foreseeable harm.
- We are satisfied that our customers will use the product's features in line with expected behaviour.
- A comparison of competitors' existing offshore investment bonds shows that the range of features offered meet our targeted customers' needs.

Price and Value

- We have assessed that the ongoing charges associated with the International Bond will offer value for money.
- We have reviewed the flexibility and features of the International Bond and are satisfied that these are fair, reasonable and offer good value.

Customer Understanding

- We have assessed that some of our customers may exhibit characteristics of vulnerability.
- We are satisfied that our range of communication channels will cater for the needs of our customers. Overall, customers will receive timely, accurate and accessible communications.
- To us communication is key. That is why we regularly test customer and adviser understanding of our communications. Action is taken if there are areas for improvement.
- We strive to always learn; by developing customer service surveys intended to support the continuous improvement of our products and services.

Customer Support

- We have assessed our ability to provide a consistent and high-quality service to our customers and are satisfied that our support will deliver good outcomes.
- We are satisfied that these services are being delivered in line with our internal levels of service. Feedback received from both customers and advisers has been positive.
- We are satisfied that complaint levels are within expected targets. We regularly analyse complaints to identify the root cause of any issues and act to address each one in a timely manner.
- We are continuing to improve our ability to identify customers who need additional support.

About us

LCA was established in 2001 as a public limited company and a life insurance provider. LCA is licensed to write Class I (life and annuity), Class III (linked long-term assurance business) and Class VI (capital redemption) products. LCA has a long history in the UK market and provides an alternative to conventional annuities, offering greater flexibility for income and investment choice.

Further Information

If you would like further details on our products or services, please contact us on the details below:

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Gibraltar Company Registration Number: 80650
London & Colonial Assurance PCC Plc is a Gibraltar registered company, and is incorporated under the Gibraltar Insurance Companies Act 2014 as a Protected Cell Company. London & Colonial Assurance PCC Plc is regulated by The Gibraltar Financial Services Commission - Permission Number: 5191. Registered Office: 3rd Floor, 55 Line Wall Road Gibraltar, GX11 1AA

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