

FLEXIBLE MORTGAGE ISA PLAN

KEY FEATURES.

FOR AN ADDITIONAL PLAN.

This is an **important** document. Please keep safe for future reference.

ABOUT US.

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 31 December 2016, the total value of assets across the group was £894.2 billion, including derivative assets. We also had over nine million customers in the UK for our life assurance, pensions, investments and general insurance plans.

WHAT ARE KEY FEATURES?

The Financial Conduct Authority is a financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our Flexible Mortgage ISA Plan 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.

USING THIS DOCUMENT.

You should read this document alongside your **Illustration** and **Key Investor Information Document**, which explains the basics of the fund you're able to invest in. You should also refer to your **Terms and Conditions** and your **Policy Document**, which you were sent when your original plan was set up.



FINDING OUT MORE

This icon appears when more detailed information is available elsewhere. If you'd like to see any of the other documents we mention before starting an additional plan, please ask us or your adviser.

▶ KEY FEATURES OF THE FLEXIBLE MORTGAGE ISA PLAN.

ITS AIMS

- To build up funds to contribute towards repaying your chosen mortgage amount at the end of your specified period, or to pay a lump sum during the term of your plan on the first of the following:
 - Your death.
 - You become eligible for Terminal Illness benefit.
 - You become eligible for Critical Illness benefit (if applicable).

YOUR COMMITMENT

- You pay a regular amount throughout the term of your plan. If you don't continue to pay throughout the remaining term, you're less likely to reach your target sum. This means that you may not be able to pay off your mortgage and your home may be at risk.
- The minimum amount needed to start an additional plan is £7.52 each month.
- The payment must be paid monthly by Direct Debit, or yearly by cheque or Direct Debit.
- You must ensure that you don't pay more than the maximum amount into your ISA(s) for each tax year. The maximum you're able to pay in over all ISAs in 2017/2018 is £20,000. The amount that you pay towards the life cover and Critical Illness Cover within your Flexible Mortgage ISA doesn't count towards this limit but any amount you pay towards any Lifetime, Help to Buy or Cash ISA will.
- As a stocks and shares ISA is part of your plan, you must not pay into another ISA of the same type with a different ISA manager during the same tax year.

RISKS

- You could get back less money than you put in.
- The amount of money you get back may not be enough to pay off your mortgage at the end of your specified period.
- The value of your investment may go down as well as up.
- You may need to increase your payments to build up the funds you need.
- If you cash in (surrender) the plan, especially in the early years, you're unlikely to get back as much as you put in.
- The favourable tax treatment of ISAs may not be maintained.



The Money Advice Service provides free and independent information about investments. You can find out more about investment risk at:

www.moneyadvice.org.uk/en/categories/planning-your-investments

QUESTIONS AND ANSWERS.

This section answers some important questions about taking out an additional Flexible Mortgage ISA plan, to give you a better idea of how it works and the options available to you.

WHAT IS AN ADDITIONAL PLAN?

- A new Flexible Mortgage ISA plan that runs alongside your original plan.
- If a performance review shows that your original plan is not on course to reach its target value, you may take out an additional plan to help make up any shortfall.
- You may also take out an additional plan if your original plan offers a Further Mortgage Option, which will be detailed in your **Policy Document**. This is where you have increased your mortgage amount and therefore need to increase your life cover and the target value of your plan.
- If you take out an additional plan, you will be sent an additional **Policy Document** and **Terms and Conditions** for your new plan, which should be read alongside the **Policy Document** and **Terms and Conditions** you have previously been sent.

HOW DOES THE ADDITIONAL PLAN WORK?

- Part of the money you pay into your additional plan is invested in your ISA and part of it is used for life cover.
- The money put in to your ISA is invested in a fund called the UK Index Trust. There is no option to invest in any other fund.
- The fund is divided into units of equal value and shared out among all the investors in that fund. Your share of the fund is the number of units we buy for you.
- The number of units we buy depends on how much is invested and the unit price when we buy the units.
- The price of units in the fund can be different depending on whether units are bought or sold. This difference is called the spread and accounts for the costs of buying or selling assets within the fund. It therefore protects ongoing investors from the costs of buying and selling of the fund's investments as other investors buy and sell units. The spread can vary daily (0.59% as at 2 February 2017). We may choose to have a single dealing price on any day. Please see your **Terms and Conditions** for further information.
- The life cover provides protection for you throughout the term of your Flexible Mortgage ISA plan. It helps pay your chosen mortgage amount if anyone covered by the plan dies, becomes eligible for Terminal Illness benefit or Critical Illness benefit (if applicable).
- The amount that you pay for the life cover depends on your age, the amount of cover provided, the term of your plan and if Terminal Illness Cover, Critical Illness Cover or Waiver of Premium is included.
- We'll review your plan every two years. If your plan is not on target at the time of the review, we'll include information about your options at that time.

For further information on the UK Index Trust, please see the **Key Investor Information Document**. This document can be found here - www.legalandgeneral.com/ukindextrustpage



HOW WILL THIS AFFECT ANY CRITICAL ILLNESS COVER?

- If your existing plan includes Critical Illness Cover and you're applying to increase your level of life cover, Critical Illness Cover will automatically be included in your additional plan.
- Your life cover will be paid out if you become eligible for Critical Illness benefit during the period of cover.
- After having paid a Critical Illness claim, this policy will end and will offer no further benefits.
- For Critical Illness Cover we won't pay out if a claim arises from an excluded cause.
- There is an additional cost for Critical Illness Cover. This is included in the life cover charge shown in your illustration.

For full definitions of the illnesses covered by Critical Illness Cover, and the evidence we'll need, please see your **Policy Document(s)**.



HOW WILL THIS AFFECT ANY WAIVER OF PREMIUM?

- If you've selected Waiver of Premium on your original plan and you're aged under 55, we can include this in your additional plan subject to a satisfactory medical assessment.
- Full terms and conditions of any Waiver of Premium you have are in your **Policy Document(s)**.

WHAT MIGHT I GET BACK?

- Your accompanying **Illustration** gives you a guide to what you might get back and shows the effect of charges.
- The amount you actually get back when you cash in your plan will depend on:
 - the performance of the UK Index Trust
 - how much money you've taken out
 - the charges paid on your plan.

See the **What are the charges?** section on page 6 for more information about charges.

NOTES

- Waiver of Premium means you don't have to pay your premiums if you suffer an illness or accident that stops you working for more than six months.
- Although you must continue to pay premiums at first, after 26 weeks of incapacity your premiums are waived until either the end of the term of your plan, you're fit to return to work, or you reach age 60, whichever occurs first.

HOW CAN I TAKE MONEY OUT?

- You have two options:
 - cash in part of your plan
 - cash in all of your plan.
- You can take money out of your plan at any time.
- If you do take money out of your plan, you'll have less chance of meeting your target mortgage amount.



For more details on how you can take money from your plan, the options available and conditions that apply, please see the **Terms and Conditions**.

WHAT IF I STOP MAKING PAYMENTS?

- Your plan will continue to provide life cover (and Critical Illness Cover if included) until the value of all the units in your plan has been used up to meet the cost of your cover and our charges. The plan will then end without value.
- You may stop and restart payments or take a premium holiday subject to certain restrictions.



For more details on when and how you can stop and start payments to your plan, the options available and conditions that apply, please see your **Terms and Conditions and Policy Document(s)**.

WHAT HAPPENS IF SOMEONE NAMED ON THE PLAN DIES?

- We'll pay out the life cover in accordance with your **Policy Document(s)**.
- Where the value of your plan exceeds the value of your life cover, we'll only pay out the value of your plan.



Please see your **Policy Document(s)** for further information.

WHAT ARE THE CHARGES?

- We've outlined all the potential charges and the effect of them in your **Illustration**.
- Charges are made to cover the various costs and expenses involved when setting up and managing your plan, such as investment management and administration.
- We may increase our charges but we'll only do so for specified reasons as set out in the **Terms and Conditions**. If we need to increase any charges we'll tell you about it at least 30 days in advance wherever possible. Please see the **Terms and Conditions** for details.

HOW MUCH WILL THE ADVICE COST?

- We don't make payments to any advisers or firms for any advice given about your plan.

WHAT ABOUT TAX?

- Current UK tax law and HM Revenue & Customs practice means you don't:
 - get tax relief on premiums,
 - pay income tax or National Insurance contributions on your benefits if a claim is made in the event of death, Critical Illness or Terminal Illness.
- On death, benefits may be subject to inheritance tax. You may be able to reduce the impact of inheritance tax. Please ask your financial adviser or us for details.
- All income within the fund from dividends is received after the deduction of tax at 10%. As the units will be held within an ISA, you won't be liable for any further income or capital gains tax on your investment. This is based on our interpretation of current UK tax law, which may change in the future.
- Under current UK tax legislation, any unit trusts that invest in UK shares have to pay Stamp Duty Reserve Tax each month. This is paid out of assets of the trust. The tax is paid on the value of the units that the trust buys back from one investor and sells to another. The amount of Stamp Duty Reserve Tax paid is reduced if part of the trust is not invested in UK shares, including any uninvested cash.

CAN I CHANGE MY MIND?

- After you invest, we'll send you a cancellation form. If you change your mind about investing in the plan, complete the form and send it to the address in the **How can I contact you?** section below, within 30 days of receiving it.
- If you change your mind within 30 days, we'll refund the premiums you've paid to your additional plan.
- If you cancel after this 30 day period, your investment will be subject to all risks and charges as detailed in this **Key Features** and the **Key Investor Information Document**. You may lose part or all of your ISA allowance for that tax year.

HOW DO I FIND OUT HOW MY INVESTMENT IS DOING?

- We'll send you a statement with the value of your plan twice a year.
- You can ask for a valuation or additional statements from us at any time.

HOW CAN I CONTACT YOU?

Your adviser will normally be able to help you with any questions you have about your plan that are not answered in these **Key Features**, the **Terms and Conditions**, your **Policy Document** or the **Key Investor Information Document**.

You can contact us:



Call us on 0370 165 9405.

Calls to this number will not exceed your fixed line or mobile phone provider's national rate and will be included in any inclusive free minute plan or discount scheme you may have with your telephone provider. Call charges will vary between telephone providers. We may record and monitor calls.



Write to us at:

Legal & General
FMISA Department
City Park
The Droveway
Hove BN3 7PY



Email our helpdesk at: customer.response@landg.com

If you're contacting us by email please remember not to send any personal, financial or banking information because email is not a secure method of communication.

NOTES

- If you're a non-taxpayer, you can't reclaim any tax that is already paid within the fund. Tax treatment depends on the individual circumstances of each customer and may be subject to change.

OTHER INFORMATION.

WHO LOOKS AFTER MY INVESTMENT?

All units held in your Legal & General ISA will be registered jointly in the name of our nominee, Legal & General (Unit Trust Managers) Nominees Limited, or any nominee we may appoint, and your name. You will be and remain the beneficial owner of the units in your ISA.

Promoter, Administrator and Unit Trust Manager

Legal & General (Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
One Coleman Street
London EC2R 5AA

Trustee

Northern Trust Global Services Limited
50 Bank Street
E14 5NT

The trustee is responsible for looking after the fund's assets, and ensuring the fund is managed within the Financial Conduct Authority and other regulations.

Prospectus: Copies of the Prospectus and Manager's Report and Accounts can be obtained from us at the address in the section headed **How can I contact you?** on page 7.

LAW AND LANGUAGE

This contract is governed by English Law. All customer communications are only available in English. All communications from us will normally be by letter or telephone.

OUR REGULATORS

Legal & General Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Registration number 117659.

Legal & General (Unit Trust Managers) Limited is authorised and regulated by the Financial Conduct Authority. Financial Services Registration number 119273.

You can check this at www.fca.org.uk/firms/systems-reporting/register or telephone them on **0800 111 6768**.

Alternatively, you can write to:
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

COMPENSATION SCHEME

Your investment is protected in accordance with Financial Conduct Authority (FCA) regulations. If Legal & General became insolvent, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). This depends on the type of business and the circumstances of the claim.

Your Flexible Mortgage ISA Plan consists of:

- an ISA, and
- a Term Assurance policy.

Your ISA invests in a unit trust. The trustee is responsible for looking after the assets of a trust and they appoint a custodian to do this for them. The custodian will hold the assets in the name of the trust. Neither the trustee nor the unit trust manager (Legal & General) can arrange for these assets to be transferred into their own name. Consequently, the trust's assets are safe even if the trustee or Legal & General became insolvent. If the trustee became insolvent, the trust would appoint a new trustee. If Legal & General became insolvent, the trust would appoint a new unit trust manager.

In the event of a claim to the FSCS for an investment product, the scheme covers 100% of the first £50,000 of each customer's claim.

Any money we hold for you, either awaiting investment or whilst we are arranging a withdrawal for you, is held in trust in a designated client account. This means if we became insolvent, your money is protected in accordance with the FCA's client money regulations. If the bank holding the client money became insolvent, you may be entitled to compensation under the FSCS. Cash accounts are covered for 100% of the first £85,000 for each customer's claim with each deposit-taking institution.

The Term Assurance policy is a long-term insurance contract. If Legal & General became insolvent, the FSCS may arrange to transfer your policy to another insurer, provide a new policy or if these actions were not possible, may provide compensation up to 100% of the whole of the valid claim. There is no upper financial limit on the claim.

Further details on compensation arrangements are available from us on request or direct from the Financial Services Compensation Scheme.

 You can get more information about the scheme at www.fscs.org.uk

HOW TO COMPLAIN

If you'd like to complain about any aspect of our service, or would like us to send you a copy of our internal complaint handling process, please contact us. Our details can be found in the **How can I contact you?** section on page 7.

Any complaints we can't settle can be referred to:

 The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Making a complaint will not affect your legal rights.

 0800 023 4567
0300 123 9123

 complaint.info@financial-ombudsman.org.uk or visit
www.financial-ombudsman.org.uk

CUSTOMER CATEGORY

There are various categories of client set out in the financial regulations. If you buy this Legal & General product, we will treat you as a 'retail client'. Being a retail client gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

You can choose to be categorised as a professional client or eligible counterparty, but this means you receive less information about our products and services. Also, you would not be entitled to receive a suitability report or appropriateness assessment where these would be required for retail clients.

If, under the regulations, you are a professional client or eligible counterparty, we will still treat you as a retail client although this would not necessarily mean that you would be eligible to refer any complaints to The Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

CONFLICTS OF INTEREST

During your investment conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. To ensure we treat investors consistently and fairly, we are required to have a policy on how to identify and manage these conflicts.

A summary of our policy is detailed below. A copy of the full policy is available on request from the address shown in the **How can I contact you?** section on page 7.

We:

- a) will consider the interests of all our customers and treat them fairly;
- b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflicts of interest from giving rise to a material risk of damage to the interests of our customers;
- c) have in place procedures to ensure that staff identify and report any new conflicts;
- d) will keep a written record of any conflicts or potential conflicts;
- e) if appropriate, we will disclose any relevant conflict to a customer before undertaking business with that customer;
- f) will carry out an annual review to identify any new conflicts;
- g) will ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom we delegate any of our responsibilities.

REMEMBER, IF YOU'RE UNSURE ABOUT ANYTHING, PLEASE ASK.

While we do everything we can to keep our products simple and explain them clearly, we recognise that there's a lot to understand. If you have any questions at all about your plan, please ask your adviser or contact us using the details on page 7.



www.legalandgeneral.com

Legal & General (Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office: One Coleman Street, London EC2R 5AA

Authorised and regulated by the Financial Conduct Authority.

W9448 04/17 H0161220