keyfacts®

Nucleus Onshore Bond account

Key features

25 minute read

The Financial Conduct Authority is the financial services regulator. It requires us, Nucleus Financial Services Limited (Nucleus), to give you this important information to help you to decide whether the Nucleus Onshore Bond account is right for you. You should read this document carefully so that you understand what you are investing in and then keep it safe for future reference.

You should note that the terms and conditions of the Nucleus wrap and a signed declaration constitute a legally binding contract between you, Nucleus Financial Services Limited as provider of the Nucleus wrap and Countrywide Assured plc as the provider of the Nucleus Onshore Bond account. This document should be read in conjunction with the terms and conditions and the key features of the Nucleus wrap.

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How to use this guide



Things to consider

Key decisions and risks you should keep in mind. Sections in this format are designed to draw attention to important considerations, in addition to risks or costs you need to be aware of.



Most people want to know

Sections in this format answer some of the more frequently asked questions you are likely to have.



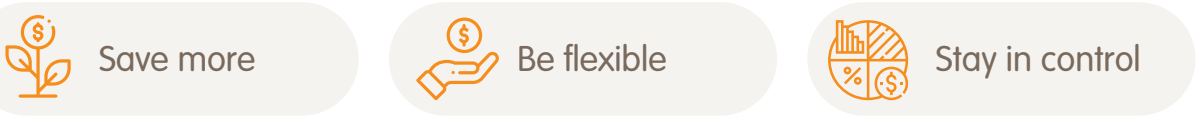
Discuss with your adviser

Information within this format draws attention to the decisions that we strongly suggest should be discussed with your adviser.

1. The aims of the Nucleus Onshore Bond account

The Nucleus Onshore Bond account is an investment-linked whole of life assurance policy, issued by Countrywide Assured plc. It is subject to their terms and conditions of issue. Its aims are:

- To enable you to invest by means of a single or ad hoc contributions.
- To allow your investment the opportunity to grow over the medium to long term (five years or more).
- To allow you and your adviser to make your own investment decisions in accordance with the terms and conditions of the Nucleus Onshore Bond account.
- To provide a potentially tax-efficient method of investment.
- To provide a cash lump sum on the death of the relevant life assured.



Your commitment

- You commit to make at least one contribution.
- With most investments you should normally plan to hold them for the medium to long term (five years or more).
- You must also abide by the Nucleus terms and conditions.
- You must commit to holding at least 2% of your Nucleus Onshore Bond account in cash at all times.

2. Risks

Please take time to consider the risks associated to your account

- The value of your Nucleus Onshore Bond account can fall as well as rise so you may not get back the amount you invest.
- There are certain important features and factors which may affect the performance of your Nucleus Onshore Bond account. You should always discuss these with your adviser before you make any decisions.
- There may be initial and ongoing charges associated with your Nucleus account and product and these will have an impact on the value of your investment. These charges may vary through time and you should be aware that any increase in charges would have an adverse impact on the value of your investment.



- Past investment performance is not a guide to the returns you may receive in future.

- Trading instructions may be aggregated which means that the price you pay for assets may rise or fall in the period between Nucleus receiving your instruction and the time the instruction is actioned. There may be situations where you are disadvantaged by aggregation.
- We will send you a contract note, which is a summary of any buy or sell transaction instructed on your account, and it is important that you check all contract notes. If you have any queries in relation to the contract note please discuss this with your adviser or contact Nucleus. It is important that you highlight any errors or discrepancies at the earliest opportunity and no more than 30 days after receipt. Please note that any liability in respect of errors or omissions may be limited to 30 days by Nucleus.
- If you invest in an income fund that charges some of its expenses to capital in order to boost the income level, your capital will be more at risk and your scope for growth will be correspondingly reduced.
- Where your Nucleus account holds assets that invest in non-sterling denominated assets, the value of your Nucleus account will be affected by movements in currency rates as well as movements in the value of the underlying assets.
- Where you want to sell an asset and this is not immediately possible, the delay in trading may result in lower proceeds than you might have expected.
- What you get back is not guaranteed. It may be worth less than reflected on your personal illustration:
  - if you cash in your Nucleus Onshore Bond account earlier than assumed in your illustration;
  - if you do not make the investment assumed in the illustration;
  - if the charges for your investment are higher than those assumed in the illustration;
  - if the underlying investment performance is lower than the figures assumed in the illustration;
  - if you choose to take withdrawals which exceed the growth of your Nucleus Onshore Bond account, your capital will be eroded; or
  - if you invest in a fund which holds property, you should note this can be difficult to sell and we may have to delay acting on your instructions.

- If you exercise your right to cancel your Nucleus Onshore Bond account you may find that the value of your investment falls between the date of your investment and the date of cancellation and that you may receive back less than you initially invested.

- The various assets in which you can choose to invest have different levels of risk attached to them.
- The value of your Nucleus Onshore Bond account will fluctuate in line with movements in the value of the underlying assets.
- The tax treatment for the Nucleus Onshore Bond account should be discussed with your adviser so you understand the tax treatment of this investment during the investment term and the tax treatment of any withdrawals you take and how these should be taken depending on your personal circumstances.
- You should ensure that you have an insurable interest in the life assured under the Nucleus Onshore Bond account, otherwise there may be difficulties in paying out benefits in the event of the death of the life . Please discuss this with your adviser.
- Your tax circumstances may mean that you do not achieve the anticipated benefits from investing in an onshore bond.
- If you are considering investing for less than five years, and are uncomfortable with the thought of your investment fluctuating in value or require a certain amount of cash at a specific date in the future, the Nucleus Onshore Bond account may not be right for you.

3. Frequently asked questions

This section seeks to answer all of the questions you may have regarding the establishment and the maintenance of your Nucleus Onshore Bond account. Further information is available from your adviser and the Nucleus terms and conditions.

What is the Nucleus Onshore Bond account?

The Nucleus Onshore Bond account is a non-qualifying single premium life bond, which allows you to invest for potential capital growth over the medium to long-term. The taxable income and gains arising within the Nucleus Onshore Bond account are subject to UK corporation tax at the special rate equivalent to the basic rate of income tax. This means that for a basic rate taxpayer there is no further tax liability when the Nucleus Onshore Bond account is encashed if once any gain is added they continue to pay tax at basic rate. Higher or additional rate taxpayers may have additional tax to pay and should seek tax advice before surrendering their investment bond.

Withdrawals of up to 5% of your initial investment for each year, for up to 20 years, can be taken without incurring an immediate tax liability. The payment of any advice fees, or discretionary asset manager fees from your Nucleus account will be treated as a capital withdrawal for tax purposes and will count towards the 5% tax deferred allowance. If the 5% allowance, or part of it, is unused in any given policy year, then it is carried forward on a cumulative basis.

All references to taxation within this document are based on our understanding of current legislation which may change in the future.

The Nucleus Onshore Bond account allows you to invest in the wide range of assets available via the Nucleus wrap.

The Nucleus Onshore Bond account is split into 100 identical individual policies which allows you to cash in individual policies rather than withdraw capital across the entire account.



How do I open a Nucleus Onshore Bond account?

Firstly you should not open an account until you have read and understood the terms and conditions of the Nucleus wrap, the key features, the key information document and have consulted your adviser. Once you have done so, and you and your adviser have agreed that a Nucleus Onshore Bond account is suitable for you, your adviser will ask you to fill in the application form(s) that will start the process of opening your account.

The Nucleus Onshore Bond is for UK residents for tax whose primary address is in the UK and UK based Corporations or Trusts (all Trustees - up to a maximum of four - must also be UK residents). Crown Servants who carry out duties that are treated as performed in the UK or the spouse or civil partner of a person who performs such duties. In all cases the customer must not be a US person – irrespective of country of residence. Individuals need to be 18 years of age or older to apply. If you make a joint application, you will have joint ownership of the account.

There may be up to six lives assured on the Nucleus Onshore Bond account. The lives assured must be individuals but do not need to be the same persons as the applicants or legal owners of the Nucleus Onshore Bond account. There is no minimum age for the lives assured. If there is only one life assured, that person's age, at the time the application is made, must not be more than age 90. Where there is more than one life assured, you can choose whether the death benefit is payable on the first or last death. If first death is chosen, the age of the older life assured, at the time the application is made, must not exceed age 90. If the last death is chosen, a maximum age of 90 applies to the youngest life assured at the time of application.

What happens next?

Once we receive your completed application form we will open up your Nucleus Onshore Bond account. We will then accept and process instructions received by you or your adviser.

How can I follow the progress of my portfolio?

Your adviser will have full online access to your account, however if you have online access you can ask for a username and password that will allow you to view your account 24 hours a day, seven days a week - please contact your adviser or Nucleus if you wish to set up this facility.

What rate of tax will apply?

The taxable income and gains arising within the Nucleus Onshore Bond account are subject to UK corporation tax at the special rate equivalent to the basic rate of income tax.

How is tax deducted?

We will calculate (normally daily) the tax on any gains, income and credits after allowing for dividends and any available indexation relief. Tax due will be deducted quarterly from your account. Whenever any of the funds you have chosen to invest in falls in value, this will be reflected in the tax account.

What is the Onshore Bond tax account?

The tax account shows the estimated amount of tax payable by your Nucleus Onshore Bond account. If the funds you are invested in fall in value, this may result in a positive value within the tax account. This will not be paid as cash to your Nucleus Onshore Bond account but will be reflected in the final surrender value.

Can I access my capital?

Yes, in most cases though this may depend if you are making the investment bond subject to trust and the type of trust you are using. You should speak to your adviser about this as well as seek advice and consider the potential tax implications (see 'What tax will I pay when I withdraw capital?') before you request any withdrawal payment. If this investment bond is being held by you as the policy holder and not subject to trust you may take money out in the following ways:

- You can choose to take regular, fixed amount withdrawals from your Nucleus Onshore Bond account, but there may be tax implications if the total of any withdrawal and any advice/DFM fees exceed 5%. Please note we use the processed date, not the payment date for chargeable event calculations. The processed date is typically nine working days prior to the payment date to allow for the sell down of assets to cash. It may be earlier if your payment date falls on a bank holiday or weekend. If the payment date chosen is on, or close to, the policy anniversary date this may lead to a chargeable event gain as you may receive 13 withdrawals in a single policy year.
- If you request a single withdrawal from your Nucleus Onshore Bond account, we will take this in equal proportions from all policies that comprise your account unless you request for whole policies to be encashed.
- If your bond holds any suspended assets a surrender of individual segments is not possible.

What tax will I pay when I withdraw capital?

This will depend on the type of withdrawal you take and the rate of income tax you are liable to when and full surrender or excess partial surrender over your 5% allowances is taken. If any of the following occur then these are known as chargeable events and this could result in you paying income tax on the gains. there could be relief applied to these gains but you should speak to your financial and tax adviser about if these apply to your specific circumstances:

- If the total of regular withdrawals and any advice/DFM fees exceed your 5% cumulative allowance;
- On surrender of one or any number of the individual policies that make up your Nucleus Onshore Bond account;
- If the cumulative total of regular withdrawals and partial encashments of some or all of the policies exceeds 100% of the amount invested in those policies.

Can I add to my investment?

There are no restrictions on the amount or frequency of additional lump sum investments you wish to make.

Where will my money be invested?

You and your adviser should determine how your money should be invested across the assets made available for the Nucleus Onshore Bond account via the Nucleus wrap. You should note that certain assets, which are available through the Nucleus wrap, may not be available for investment in the Nucleus Onshore Bond account.

How are investments held?

Assets and cash held for your Nucleus Onshore Bond account are owned legally and beneficially by Countrywide Assured plc. Hence you do not have any rights of legal or beneficial ownership in the assets or cash held within your Nucleus Onshore Bond account. Your right is to the benefits payable under the Nucleus Onshore Bond account in accordance with the Nucleus Onshore Bond account terms and conditions.

Can I be sure how much I will receive?

No. The return will depend upon the value of your Nucleus Onshore Bond account when you decide to cash it in; this depends partly upon how much you have invested in your account and how long it has had to grow. It also depends upon the investment growth achieved, how and when that growth was achieved, any withdrawals taken, the charges, costs and tax deducted. The value of the Nucleus Bond tax account shown online and on valuations client statements is an estimate and may change once final tax calculations are performed by the bond provider.



What happens on the death of the life assured?

On the death of the relevant life assured the value of the Nucleus Onshore Bond account calculated as at the date of notification will be multiplied by 100.1% and paid as a lump sum to the policyholder or, where the policyholder was the relevant life assured, the policyholder's estate. The relevant life assured will be specified in the application as the first or the last death of those individuals named as the Nucleus Onshore Bond account life (lives) assured.

What about inheritance tax?

The Nucleus Onshore Bond account or the death benefit will form part of your estate for inheritance tax purposes unless your Nucleus Onshore Bond account has been written under a suitable trust.



What if I change my mind?

If you change your mind, and wish to cancel your Nucleus Onshore Bond account within 30 days of receiving your cancellation notice, you will receive a full refund of all the assets within your account plus any charges already deducted. You should note that if the value of any underlying investment falls before we receive your cancellation notice, you may receive less than you invested.

What are the charges?

A breakdown of our charges are shown in the Nucleus terms and conditions.

The charges you will pay are set out in your personal illustration as provided by your adviser. Typically, your Nucleus wrap will be subject to three distinct types of charge: the Nucleus wrap charge, charges for the management of assets and fees for the provision of financial advice.

Your Nucleus Onshore Bond may be subject to initial and ongoing charges in respect of asset management. The amount you pay in asset management charges will depend entirely on your circumstances and what assets you choose to invest in. You should note that in some cases the funds you invest in may be available to Nucleus at a lower price than that assumed in the pricing of the fund whereupon you will be entitled to a partial annual management charge rebate. In such circumstances the rebate amount will be calculated and credited quarterly, as units or cash, to the relevant account in the proportion in which it arose.

The charge for financial advice will be determined according to the agreement you reach with your adviser and although Nucleus may facilitate advice payments for your convenience, Nucleus will only pay your adviser in accordance with your instructions. Should the relationship between you and your adviser terminate or your adviser ceases to have an agreed terms of business contract with Nucleus, Nucleus reserves the right to make additional charges to maintain your wrap.

You should note that initial charges in relation to asset management and financial advice may be deducted when you make a new investment and all annual charges are accrued daily and deducted monthly.

4. Further information

For further information you should contact your adviser in the first instance. Should you be unable to make contact with your adviser or you require further information, please contact Nucleus by writing to Nucleus client relations, PO Box 26968, Glasgow, G2 9DY or by calling 0131 226 9535.

Law

The Nucleus Onshore Bond account is governed by the laws of England and Wales.

Regulation

The Nucleus wrap is provided by Nucleus Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). The FCA register number is 456117. The Nucleus Onshore Bond is provided by Countrywide Assured plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their FCA register number is 141916.

You can check this on the Financial Services register by visiting their website: www.fca.org.uk/register or by calling them on 0800 111 6768.

The Regulator requires Countrywide Assured plc to prepare a Solvency and Financial Condition Report in line with the Solvency II Regulations. This report outlines the nature of the business, how it is managed and its solvency position. A copy of the report can be found on Countrywide Assured plc website: www.countrywideassured.co.uk.

Nucleus has been appointed by Countrywide Assured plc to carry out the administration of the Nucleus Onshore Bond account. Nucleus acts as an insurance intermediary on behalf of Countrywide Assured plc in distributing the Nucleus Onshore Bond.

Client categorisation

Your adviser is required to categorise all of their clients and this determines the level of detail and information you will receive. If your adviser categorises you as a retail client in respect of the services provided to you, this means that you will benefit from the highest level of client protection. For further information on categorisation or should you wish to request a different categorisation please contact your adviser.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You and any secondary account holders may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Please refer to document 0459 - Investor Protection for further information. Further information about compensation arrangements is available from the FSCS. Their contact telephone number is 0800 678 1100 and their website is www.fscs.org.uk.

Complaints

We always aim to provide the best service possible, however if you are unhappy and you wish to complain, please let us know immediately so we can fairly and impartially resolve any issues for you as quickly as we can.

You can reach us by:


Phone 0131 226 9535


Email complaints@nucleusfinancial.com


Mail Nucleus, PO Box 26968, Glasgow, G2 9DY

We aim to resolve any complaint as soon as possible. Some complaints require a detailed investigation and/or a dialogue with third parties and may therefore take longer to resolve.

We will issue written acknowledgment of your complaint promptly by email or by letter. If a final response has not been issued within four weeks of receipt of your complaint, we will write to let you know and will indicate when we will make further contact. This further contact will be within eight weeks of receipt of the complaint.

By the end of eight weeks, we must send you either a final response or a response which explains we are still investigating your complaint and the details of how you can refer your complaint to the Financial Ombudsman Service if you are dissatisfied with the outcome of your complaint and/or the length of time it has taken.

The Financial Ombudsman Service

If you remain unhappy with the outcome of your complaint you have the right to refer the complaint to the Financial Ombudsman Service (FOS) free of charge. Their contact details are: Financial Ombudsman Service, Exchange Tower, London E14 9SR. Phone: 0300 123 9123 or 0800 023 4567. Email: complaint.info@financial-ombudsman.org.uk. Website: www.financial-ombudsman.org.uk.

Please contact us if you'd like to receive a hard copy of the Ombudsman's consumer leaflet.

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