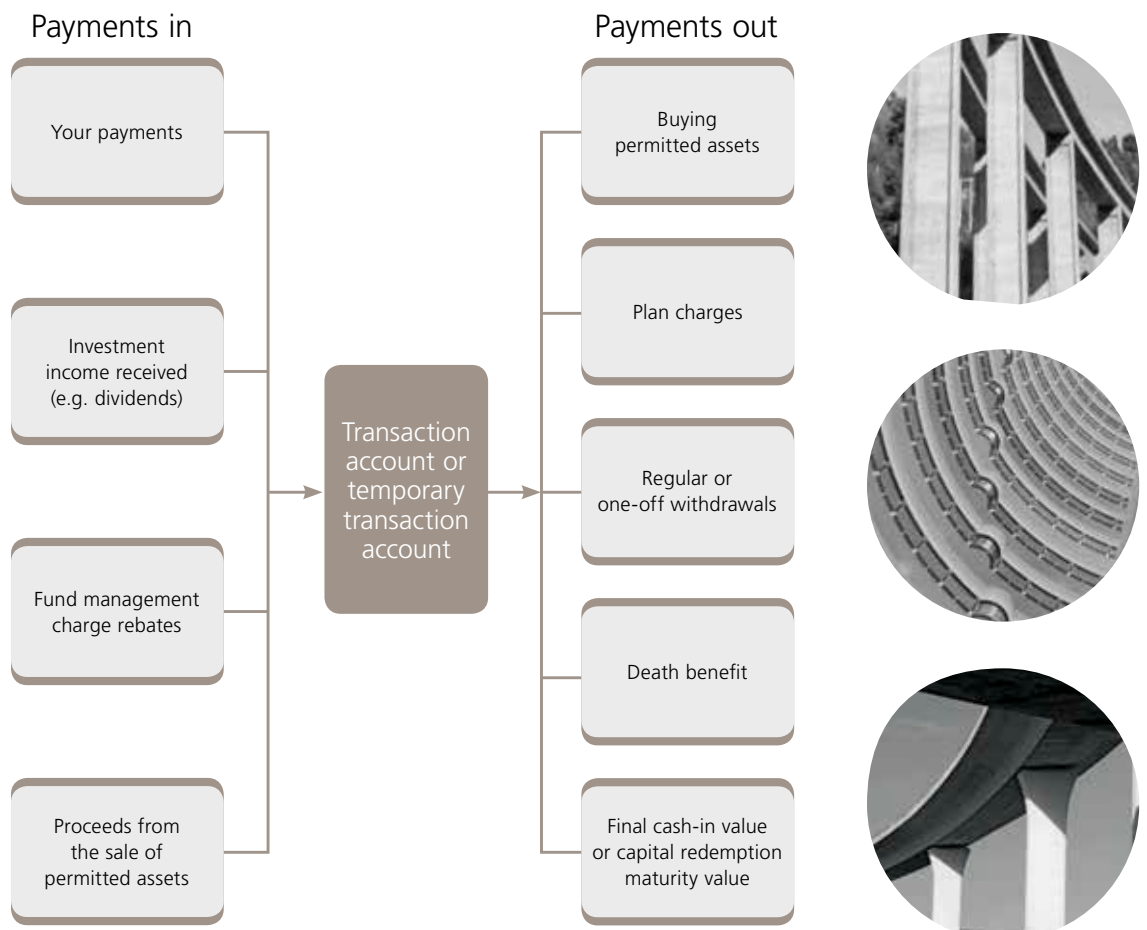


# Your transaction accounts

## Monument International Portfolio Bond

As long as you have not nominated a discretionary asset manager, your Monument International Portfolio Bond will use a transaction account to facilitate payments into and out of your plan and for buying and selling permitted assets in your base currency. Where such payments are in another currency a temporary transaction account will be used.

This leaflet explains how transaction accounts work.



## At the start of your plan

At the start of your plan a transaction account will be set up in the base currency you select. If you make an initial or additional payment in a different currency to your base currency, a temporary transaction account will also be set up in your payment currency.

To make sure there is a sufficient amount of money in the transaction account to pay plan charges, you must place at least 3% of your initial payment in the transaction account in your base currency.

So:

- If your initial payment currency and your base currency are the same you will be required to leave at least 3% in the transaction account (you can inform us how much on the application form) and the remainder will then be available to buy permitted assets.
- If you make your initial payment in a different currency to your base currency, at least 3%, as instructed by you on the application form, will be converted to the base currency (using a foreign exchange rate provided by our bankers) and put in the base currency transaction account. The remainder in the temporary transaction account will then be used to buy permitted assets.

## Buying permitted assets

When you instruct us to buy permitted assets you must have a sufficient credit balance in a transaction account in the same currency as the permitted asset. If you do not and there is sufficient credit balance in the transaction account or any temporary transaction accounts, in another currency, then we will convert money from those accounts to the relevant currency to buy the permitted assets. At the start of your plan this will be the money held in the transaction account or temporary transaction account that is in the same currency as your initial payment.

## Selling permitted assets

If a permitted asset you instruct us to sell is in the same currency as your base currency then the proceeds from the sale will be paid into your transaction account. If not then a temporary transaction account will be used.

## Income from permitted assets

Income received from permitted assets will be paid into the transaction account or temporary transaction account in the currency of the permitted asset.

## Regular withdrawals

At the start of your plan you will choose a currency to be your benefit currency (one of pounds sterling, US dollars or euro). This is the currency in which we will pay you regular withdrawals. If regular withdrawals are in your base currency these will be deducted from the transaction account. If they are in a different currency, they will be deducted from a temporary transaction account and paid to you.

## One-off withdrawals

You can choose to take a one-off withdrawal from your plan in pounds sterling, US dollars or euro. There must be a sufficient credit balance in the transaction account or temporary transaction account in the currency of the withdrawal. If there isn't, you must instruct us to sell permitted assets or convert cash from another transaction account. For any cash conversion we will use a foreign exchange rate advised to us on that day by our bankers.

## Quarter end process

Within four weeks of each quarter end we will provide plan valuations as at the last business day of March, June, September and December and within a further four weeks check the balance on the transaction accounts.

### Interest

If the transaction account in the base currency does not have a debit balance on the last business quarter end day, then interest will be added to the transaction account and any temporary transaction accounts that have a credit balance. Interest will be added at 1% below the rate paid to us by our bankers, for the relevant currency. If the interest rate paid to us is 1% or below, then we will pay no interest.

If, however, the transaction account in the base currency has a debit balance on the last business quarter end day then no interest will be added to any transaction account or temporary transaction account.

### Charges

The yearly Plan charge, and custody charge are calculated quarterly in arrears based on the plan value at the quarter end date. These charges are deducted from the transaction account within eight weeks of the quarter end date in the base currency.

Trading charges will be deducted from the transaction account in the base currency each time you instruct us to buy or sell a mutual fund.

### Rebates

Any fund manager rebates we pay to you will be credited to the transaction account in the base currency.

### Rebalancing the transaction accounts

If you are taking regular withdrawals in a currency other than your base currency, then it is possible that the temporary transaction account from which you are receiving your withdrawals will have a debit balance on the quarter end date. We will reset this to zero by using money from the transaction account.

We will then check that the balance on the transaction account, in the base currency, is greater than 1% of the plan value. If it is greater than 1% of the plan value we will take no further action. If it is below 1% of the plan value we will take action to increase it back to 3%.

The action we will take is as follows:

- Transfer money from any temporary transaction accounts (starting with the lowest value) provided there are no trades pending.
- Sell the most frequently priced asset.
- Sell any other assets.

## Managing your transaction account

It is your responsibility to manage the balance in your transaction account. Each quarter we will provide you with an up to date valuation to help you do this. You can instruct us to move money from any temporary transaction accounts, cash in permitted assets or make an additional payment to ensure you maintain a balance which is sufficient to meet any ongoing charges or withdrawals.

To help you manage your transaction accounts, we will send you a quarterly statement detailing all transactions.

## Full cash-in, Maturity (Capital Redemption version) or Death benefit (Life Insurance version)

When the plan ends all the assets are cashed in and paid into the transaction account or temporary transaction account in the currency of the asset. They are then converted into the base currency (using an exchange rate advised to us by our bankers) and any guarantee or cash-in charges assessed. It will then be converted into the currency you wish to be paid in (pounds sterling, US dollars or euro), using the exchange rate provided by our bankers.

### In summary

The transaction account is a key element of your Monument International Portfolio Bond and we use it to:

- account for your payments in and proceeds of cashed-in assets
- receive investment income and fund management charge rebates
- buy assets and pay any regular or one-off withdrawals
- pay all plan charges, investment fees and other expenses
- pay out the final cash-in-value or maturity value or death benefit.

It's very important to review your transaction account regularly to maintain a credit balance and your plan provides several ways for you and your financial adviser to do this.