

## Flexible Life Annuity Charges and Fees

### Purpose

This document shows the charges & fees for the London & Colonial Assurance PCC Plc ('LCA') Flexible Life Annuity ('FLA') from 01/08/23.

This document should be read in conjunction with the FLA Key Information Document ('KID'), the FLA Key Features document, and your personal Illustration.

### Establishment charge

The establishment charges will apply to new policies and to any future additional investments ('top-ups'):

- The establishment charge is capped at £10,000 and this cap applies for the life of your FLA.
- A one-off charge of 2% based on the premium paid will be deducted as a single fixed amount from each premium received subject to the £10,000 cap.
- Any future additional investments will be charged a separate 2% establishment charge subject to the £10,000 cap.

### Annual management charge

An annual management charge ('AMC') will be deducted for administering your FLA. The AMC is capped at £1,600 a year. The AMC of 1% based on the total premiums paid deducted at the outset of your FLA and then yearly on each anniversary of your FLA.

Top-ups will be charged a proportionate AMC subject to the £1,600 cap.

For example,

- £100,000 initial premium,
- AMC is £1,000 (1% of £100,000),
- A top-up of £50,000 is paid halfway through the year.

A proportionate amount of 1% of the £50,000 will be charged. This is calculated by deducting the AMC that was paid at the yearly anniversary from the AMC that would be payable on the total premiums (initial plus top-up). This is then pro rata'd depending on when the top-up has been paid:

$$£1,500 - £1,000 = £500/2 = £250$$

At the next yearly anniversary, the AMC will be £1,500.

Top-ups will not be charged an additional AMC once the cap has been reached. For example, at the yearly anniversary an AMC of £1,600 was charged. If a top-up was paid, we would not charge an additional AMC.

The AMC may be increased in the future and any increase will be based on the annual rate of inflation in Gibraltar (the Index of Retail Prices or IRP). We will notify you in advance of your (FLA) anniversary of any increase to your AMC.

Any increased AMC percentage will be shown in the FLA Charges & Fees document which will be published on our website.

### Financial Adviser fees

You can choose to pay your financial adviser an initial charge and/or an ongoing charge.

The initial charge can be a fixed monetary amount or specified as a percentage of your premium and is deducted from the cash balance held within your FLA after each premium has been paid.

You can also choose to pay your financial adviser an ongoing charge and/or a one-off adviser charge. This can either be a fixed monetary amount or specified as a percentage of the current value of your FLA. It is deducted from the cash balance held within your FLA.

### Investment Adviser fees

You can choose to pay your investment adviser an initial charge and/or an ongoing charge.

The initial charge can be a fixed monetary amount or specified as a percentage of your premium and is deducted from the cash balance held within your FLA after each premium has been paid.

You can also choose to pay your investment adviser an ongoing charge and/or a one-off adviser charge. This can either be a fixed monetary amount or specified as a percentage of the current value of your FLA.

### Discretionary Fund Manager fees

Your Discretionary Fund Manager may deduct a charge for their services from the portfolio of investment they manage on your behalf.

### Other charges

There may be bank charges associated with buying and selling the underlying investments.

We may be required by law to deduct charges, levies or taxes and pay such amounts across to the applicable government, statutory or other authority.

### Cash Balance

Where there is insufficient cash to meet future charges and your next annuity payment, we may need to sell some of the underlying investments. Any charges associated with the sell will be deducted from the cash balance.



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