

Key Features of the Bonus CashBuilder Plus Plan

The Financial Services Authority is the independent financial services regulator. It requires us, AXA Sun Life plc trading as Sun Life Direct, to give you this important information to help you to decide whether our Bonus CashBuilder Plus 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.

What is the Bonus CashBuilder Plus Plan?

It is a 15 year With Profits Endowment Investment Plan which includes life cover for the full term. After 15 years you will receive a guaranteed minimum cash sum plus any bonuses added.

Who should consider this Plan?

This Plan should be considered by anyone aged 18-55 who wishes to invest for the long term by paying premiums on a monthly basis for 15 years.

Its aims

- To give you a cash sum at the end of 15 years. This cash sum will be made up of the guaranteed minimum cash sum and any bonuses added to this sum.
- To provide some life cover during the 15 year period.

Your commitment

- To pay regular monthly premiums for 15 years. These premiums will increase by 20% of the starting premium at the end of each of the first five years.

Risk factors

- The guaranteed minimum cash sum will be less than the total of all premiums you have paid.
- The bonuses that may be added to the guaranteed minimum cash sum will depend upon the future performance of the AXA Sun Life With Profits Fund. They are not known in advance and may be zero so at the end of the 15 years you could get back less than you have paid in.
- The value of the investments held in the With Profits Fund, which include company shares and property, can go down as well as up.
- The cost of meeting any guarantees or liabilities linked to this or any other type of plan which invests in the With Profits Fund could reduce the bonuses we add to your Plan.
- Your circumstances may change and force you to cash-in early. If you cancel your Plan in the first year you won't get anything back, as the majority of the charges for setting up the Plan are incurred during this time. If you cancel your Plan in the early years you will get less back than you have paid in. And you could still get back less than you have paid in if you cancel your Plan in the later years.
- Inflation will reduce the value of any cash sum and this is something you should be aware of when considering what you may be able to buy with a cash sum in the future.
- The amount of life cover shown on your Personal Illustration assumes you are accepted on AXA Sun Life's normal terms. If this is not the case, the amount of life cover will be significantly less than that shown on your Personal Illustration.
- We take charges from your Plan to cover items such as the cost of life cover and expenses such as investment management and administration. These charges may turn out to be higher than expected, which may reduce the bonuses we add to your plan.
- Your tax status may affect your suitability for this Plan. Please see the Tax section overleaf.



Can I change my mind?

You can change your mind within 30 days from when you receive the 'Your Right to Change Your Mind' form. During this time you can cancel your Plan by returning the form – please see the **How to contact us** section for the address. AXA Sun Life will refund any premiums you have paid. If you do not cancel your Plan within 30 days it will continue in accordance with the Plan terms and conditions and any decision to cancel at a later date will fall under the normal Plan terms and conditions.

Cancelling after the first 30 days

You may cancel your Plan at any time by notifying AXA Sun Life. If you cancel your Plan, your life cover will stop immediately. You won't get anything back in the first year and in the early years you would get back significantly less than the premiums paid because your Plan is designed to be invested for a term of 15 years.

If you have paid one or more years' premiums it may also be possible to make your Plan '**paid up**'. This means that you will not have to pay any further premiums although charges will continue to be deducted. You will no longer receive the minimum cash sum at the end of the 15 years. Instead, we will calculate a new, lower cash sum to be paid to you on that date. If you make your Plan '**paid up**', your level of life cover will also be reduced. We will tell you the revised cash sum and life cover when your Plan becomes '**paid up**'.

There may also be tax implications – these are explained in the 'Tax details' section.

What is the AXA Sun Life With Profits Fund?

- It is an investment fund which works by investing together the premiums paid by lots of different people who own various AXA Sun Life plans, such as the Bonus CashBuilder Plus Plan.
- The Fund invests in a range of different things, such as shares and property, these are known as 'assets'. The proportion of the Fund invested in each of these asset types will vary over time.
- The investment performance of these assets will contribute to any profits made by the Fund.
- Any bonuses we add to your Plan will come from any profit made by the Fund. We may add a regular bonus each year and a final bonus may be added at the end of the 15 year term. As these bonuses depend on future profits they cannot be known in advance and may be zero. Once added, they cannot be taken away provided you keep paying your premiums until the end of the term.

What does the AXA Sun Life With Profits Fund invest in?

As at 31st December 2009 the Fund invests 62.5% of the assets attributable to Bonus CashBuilder Plus Plans in shares and property, whose performance can be volatile. The remainder is invested in fixed interest investments and other similar investments and in the money market. The value of all investments will go up and down over time. You will find more information about this in the enclosed leaflet 'What does the Bonus CashBuilder Plus Plan invest in?'

What benefits will the Plan give me?

All the examples in this Key Features document are based on a male aged 39 now paying premiums starting at £10 per month. Together with your policy documents, we will send you a Personal Illustration showing what you could receive based on your age, sex and chosen premium level after we have received your application.

- In this example, he will receive a guaranteed minimum cash sum of £2,453 at the end of 15 years, which will be less than the total premiums paid in of £3,240. The cash sum quoted is based on a monthly premium of £10 for the first year which will increase by £2 at the end of each of the first five years becoming £20 in the sixth and subsequent years.
- In addition, variable regular bonuses may be added, and a final bonus may also be added. All bonuses depend on the future profits of the AXA Sun Life With Profits Fund and therefore cannot be known in advance and may be zero. Once added, they cannot be taken away provided you keep paying your premiums until the end of the term.
- Life cover for 15 years will also be provided. See the section entitled **What life cover will I receive?**

How do bonuses work?

- Our With Profits business is managed in accordance with AXA Sun Life's 'Principles and Practices of Financial Management', a copy of which is available on request. The enclosed 'Guide to how we manage our With Profits business' contains a summary of this information.

- In deciding the bonus rates on our With Profits plans we take an approach known as ‘smoothing’. This involves some building up of reserves in better investment periods, which may be used to add bonuses when there is an investment downturn. Smoothing therefore gives you some protection from short term adverse stock market fluctuations, although what you get back will still depend on stock market performance during the whole term of the Plan. Future bonuses come from profits not yet earned so cannot be known in advance and may be zero.

Regular bonuses

These are normally declared annually and are paid out at the same time as the guaranteed minimum cash sum, at the end of the 15 year term. These bonuses, once declared, are guaranteed to be paid out in addition to the guaranteed minimum cash sum, as long as premiums are paid to the end of the term. AXA Sun Life will advise you each year of the amount of such bonuses added to your Plan.

Final bonus

If this is paid out, it is paid at the same time as the guaranteed minimum cash sum, at the end of the 15 year term. It is paid out in addition to the guaranteed minimum cash sum and regular bonuses.

What affects the value of your Plan at the end of 15 years?

The amount you will receive depends on:

- The investment performance of the With Profits Fund.
- The level of charges (including the cost of life cover)
- The cost of meeting any guarantees or other liabilities linked to this or any other type of plan which invests in the With Profits Fund. This could reduce the bonuses we add to your Plan.

What might I get back after 15 years?

This example is based on a male aged 39 now, paying premiums starting at £10 per month. What he gets back will depend upon how the value of the investments in the With Profits Fund grow.

- If the investments grow at 4% a year he would get back £3,830
- If the investments grow at 6% a year he would get back £4,310
- If the investments grow at 8% a year he would get back £4,860
- These figures are only examples and are not guaranteed. They are not minimum or maximum amounts; what you will get back depends on how the value of the investments in the With Profits Fund grow and on the tax treatment of the investments. You could get back more or less than this. Most firms use the same rate of growth for projections but their charges vary.

Inflation will reduce the value of any cash sum and this is something you should remember when considering what you may be able to buy with a cash sum in the future. We will send you a Personal Illustration with your policy documents.

What life cover will I receive?

The life cover payable on death is not a principal feature of this investment plan and as such there are other products that could offer higher levels of life cover for the premiums paid.

The example below is based on a male aged 39 now, paying premiums starting at £10 per month.

- Premiums starting at £10 per month would provide £2,430 of life cover for the next 15 years. The life cover assumes he is accepted on AXA Sun Life’s normal terms. If this is not the case the life cover will be significantly less than that shown.
- If he died during the term, his estate will receive either the life cover of £2,430, the full value of the premiums paid, or the cash-in value of the Plan, whichever is greater. The estate may be subject to Inheritance Tax – please see the **Tax** section for more information.
- Failure to disclose all material facts on your application form could affect the payment of benefits.

We will send you a Personal Illustration with your policy documents.

Payment of death claims

From the date of death to when the payment is made we will add interest to the cash sum paid out. The rate of interest used to calculate this amount will typically be around 0.5% per annum lower than the Bank of England Base Rate.

How much will it cost to arrange this Plan?

For assisting in the arranging of this Plan, AXA Sun Life plc will provide AXA Sun Life Services plc with support worth an amount based on the starting monthly premium you choose. For a customer paying premiums starting at £10 per month this would be on average £60.08. This is paid at the start of your Plan out of the deductions we take from your Plan. All the charges for setting up the Plan, including this support, are included in the premiums you pay.

What happens if I stop paying my premiums?

If you stop paying your premiums and cancel your Plan in the first year you won't get anything back as the majority of the charges for setting up the Plan are incurred during this time. If you cancel your Plan in the early years you will get less back than you have paid in. And you could still get back less than you have paid in if you cancel your Plan in the later years.

The **example** in the table below shows what a male aged 39, paying premiums starting at £10 per month might get back if he **Cancels** his plan. We will send a Personal Illustration to you with your policy documents.

The figures in the last two columns are calculated by assuming that investments will grow at 6% a year. If investment growth were lower than 6%, the amount payable would be lower than that stated below.

What the table shows

- The first column shows the number of years the plan has been held for.
- The second column shows the total premiums paid in. For example, after 10 years total premiums paid would be £2,040.
- The third column shows the total deductions we have made over these periods. For example, after 10 years this is £314.
- The fourth column shows the effect of these deductions. For example, after 10 years this is £422. This is higher than the actual deductions because it includes the investment growth that would have been achieved on the deductions had they not been taken out of the Plan.
- The last column shows what he might get back if he cancelled his Plan. For example, after 10 years this would be £2,260.

The early years

At End Of Year	Total Paid In To Date	Total Actual Deductions To Date	Effect Of Deductions To Date	What You Might Get Back
1	£120	£123	£123	£0
2	£264	£137	£145	£134
3	£432	£143	£160	£310
4	£624	£98	£125	£571
5	£840	£88	£123	£838

The later years

At End Of Year	Total Paid In To Date	Total Actual Deductions To Date	Effect Of Deductions To Date	What You Might Get Back
10	£2,040	£314	£422	£2,260
11	£2,280	£337	£471	£2,620
12	£2,520	£381	£544	£2,980
13	£2,760	£428	£624	£3,360
14	£3,000	£436	£670	£3,800
15	£3,240	£401	£676	£4,310

What are the deductions for?

- The deductions shown in the above table include the costs of arranging the plan, providing the life cover, managing the investments, administration, any surrender penalties and other expenses, charges or adjustments.
- The last line in the table shows that over 15 years the effect of the total deductions could amount to £676.
- Putting it another way, leaving out the cost of life cover, the deductions would have the same effect as bringing the investment growth from 6% a year down to 3.9%.

Further information

Premiums

Premiums are paid monthly by Direct Debit. You will always be told the amounts and dates of Direct Debits to be taken from your account. There will be a delay of fourteen days from when we receive your completed Direct Debit Instruction before we can debit your account, unless we have already received confirmation from your bank or building society.

Tax

- The fund in which your premiums are invested is subject to tax on investment income and capital gains and AXA Sun Life deducts this tax from the fund. This Plan may be unsuitable for non-taxpayers as they will be unable to reclaim this tax.
- If you cancel your Plan in the first 10 years and its cash-in value is higher than the total premiums paid, you could have extra tax to pay. The profit or 'chargeable gain' will be charged at the difference between the higher rate and the lower rate of income tax. Please note this will only apply if you are a higher rate tax payer or if the chargeable gain (averaged over the number of years your Plan has been in force) causes you to become a higher rate tax payer.
- If your Plan has been made 'paid up' and you have paid less than 10 years' premiums, higher rate tax may arise on any chargeable gain if you later cancel the Plan, if you die while it remains 'paid-up', or if you survive until the end of its term. This means you may have extra tax to pay.
- At the end of the 15 years, or if you die at any time during its term, the Plan will not be subject to capital gains tax or income tax. However, any amount paid out on your death will normally form part of your estate, so it may be subject to inheritance tax unless you write your Plan subject to an appropriate trust.

This information is based on our understanding of current law and HM Revenue & Customs practice. Tax legislation may change in the future. How taxation will affect you will depend on your personal circumstances.

Law

This plan is governed by the law of England and Wales. Your contract will be in English and we will always write and speak to you in English.

Main business and FSA registration details

AXA is a worldwide insurance group. In the UK one of the AXA companies is AXA Sun Life plc which is an insurer. AXA Sun Life plc is entered on the Financial Services Authority (FSA) register. FSA register number: 185063. You can look up our FSA register details through the FSA website: www.fsa.gov.uk/register/home.do

Compensation

Your plan is covered by the Financial Services Compensation Scheme. This means that if we are unable to pay claims/benefits because of financial difficulties you may be able to make a claim. The Scheme covers 90% of a successful claim, without any upper limit. For further information please see www.fscs.org.uk or telephone 020 7892 7300

Days of grace

After you have paid the first premium, if any subsequent premiums are not paid on the due date, we will allow thirty days of grace during which time you can pay the outstanding premium and your Plan will remain in force. If we don't receive the outstanding premium within the days of grace, protection against forfeiture regulations may apply.

Protection against forfeiture

Protection against forfeiture regulations will apply to your Plan after you have paid one year's premiums. Protection against forfeiture means that, if you fail to pay an overdue premium within the days of grace as described above, your Plan will remain in force for one year from the date the first unpaid premium was due. If you pay the overdue premium(s) (and interest on those premiums at a rate to be determined by AXA Sun Life which will be reasonable in all the circumstances) during that year, your policy will then continue with all benefits unaffected. Also, if a claim (for example a death claim) is made on your Plan during that year, AXA Sun Life will still pay out in respect of the claim, after deducting from it the amount of the overdue premium(s) and interest.

If at the end of that year the overdue premium(s) and interest have still not been paid, your Plan will be made 'paid up'. This means that you will not have to pay any further premiums but, at the maturity date, you will no longer receive the minimum cash sum or any regular bonuses which have been added. Instead, we will calculate a new, lower cash sum which you will receive at the maturity date. We will tell you the revised cash sum when your Plan becomes paid up. No regular bonuses will be added in future.

How to contact us

Enquiries, complaints and cancellations

If you would like further information, or you have a complaint about our service, then please write to: Customer Care Co-ordinator, New Business Customer Services Dept, AXA Sun Life plc, PO Box 1810, Bristol BS99 5SN. Tel: 08457 322 223.

If you are not satisfied with any aspect of the service that you have received from us, then we have a written complaints handling procedure, a copy of which is available on request. Complaints we cannot settle may be referred to the Financial Ombudsman service at: South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Telephone: 0845 080 1800.

E-mail: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint will not prejudice your right to take legal proceedings.

General information

- AXA will treat you as a retail client. This means that you have the highest degree of protection available under the Financial Services Authority rules. This includes access to complaints and compensation procedures. However you will not be covered for wrong advice unless this product was personally recommended to you by a financial adviser authorised by the Financial Services Authority.
- All statements in this pack assume that you are eligible for this Plan, you are accepted at AXA Sun Life's ordinary rate of premium, all premiums are paid when due and that current legislation remains unaltered.
- The total of your initial monthly savings amounts through this and other similar investment plans underwritten by AXA Sun Life must not exceed £100 a month.
- A copy of your completed Application Form and/or specimen policy will be available on request.
- This Plan is available to those aged 18-55 who are UK resident. We guarantee the terms of this offer if you apply before the close date. If we repeat this offer we cannot guarantee that the terms will remain unchanged.
- If you apply after the close date you should be aware that the information regarding the offer in this pack may have changed. The terms of this offer may be repeated in other advertisements which extend the application period shown.

Visual impairment

Large Text, Braille and Audio Tape versions are available on request.

AXA is a worldwide insurance group. In the UK, one of the AXA companies is AXA Sun Life plc, the provider of your policy, which trades as Sun Life Direct. AXA Sun Life plc is an insurer based in the United Kingdom and is authorised and regulated by the Financial Services Authority. Registered in England No.3291349. Registered office: 5 Old Broad Street, London, EC2N 1AD. AXA Sun Life plc is a company limited by shares and is entered on the Financial Services Authority's Register. Registration number 185063. As part of our commitment to quality service, telephone calls will be recorded.



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