A Guide to...

Portfolio Bond - Flexibility on Policy Withdrawals

The Portfolio Bond is a unit-linked whole of life contract that allows a high degree of flexibility when taking withdrawals without incurring encashment penalties provided that certain conditions are met. Each premium is treated separately for the purposes of the allowances referred to below[1]. Following a withdrawal, Annual Management Charges will continue to be based on the higher of the premium or fund value in respect of the premium. After 5 or 8 years (depending on product charging option[2] chosen for a given premium), Annual Management Charges are based on fund value.

Five year Product Option:
For the first five years following payment of a premium, an early encashment charge will only apply if the value remaining of that premium following the encashment is less than the following percentages:

Years Since Premium Paid	Minimum % of Initial Premium that needs to remain
1	25%
2	25%
3	20%
4	15%
5	10%

The early encashment charge (as detailed in the Policyholder's Policy Schedule) reduces every six months to 0% after 5 full years.

Eight year Product Option:
For the first eight years following payment of a premium, an early encashment charge will only apply if the value remaining of that premium following the encashment is less than the following percentages:

Years Since Premium Paid	Minimum % of Initial Premium that needs to remain
1-5	25%
6	20%
7	15%
8	10%

The early encashment charge (as detailed in the Policyholder's Policy Schedule) reduces each year to 0% after 8 full years.

[1] All units in the Portfolio are encashed on a First In First Out basis ("FIFO"). This means that the above rule will apply to all units in respect of each individual premium invested. Additional premiums will have their own allowances once the earlier investment has been exhausted.
[2] Charging options may vary dependant on Country product.

Notes:
Where an early encashment charge applies it will be calculated based on the original premium(s) invested.

Where the above allowances per premium are exceeded, the early encashment charge will apply as a proportion of the full early encashment charge. Please refer to the technical supplement and Policy Conditions for details.

All withdrawals are made via the Cash Account and sufficient cash must be available in order for any withdrawal to proceed. Where the Fund is invested in illiquid assets the Company reserves the right to defer the encashment, either in whole or in part, until such time as it is able to realise those assets so that cash becomes available.

Transfers of the underlying assets to the Policyholder ("in specie transfers") are not permitted.

Example 1:
Initial Premium Investment of €100,000 on the 5 year charging option where the current value is €110,000.

- Within the first year 25% of the initial investment must remain in the bond (€25,000) and thus €85,000 may be withdrawn without an early encashment charge.

Example 2:
Initial Premium Investment of €100,000 ("premium 1") and an additional €100,000 ("premium 2") was invested 6 months later (example assumes no growth or deductions using the 5 year option).

- Permissible withdrawal without early encashment charge is €75,000 in respect of premium 1 i.e. €25,000 must remain in year 1 of premium 1.
- If €150,000 was withdrawn then the first slice would be encashed first (FIFO) and a surrender penalty applied to that premium (€100,000). The remaining amount would not be subject to early encashment charge as more than 25% of the premium 2 remains.
- If €180,000 was withdrawn then the first slice would be encashed first (FIFO) and a surrender penalty applied to that premium (€100,000). The remaining amount (€80,000) exceeds the Year 1 allowance for that premium by €5,000 and so a proportionate surrender penalty would apply.

SEB Life International does not provide any form of advice in relation to tax or other implications of taking a withdrawal from a policy. All withdrawal requests must be received in writing and signed by the Policyholder(s).

This document is provided as a general description of product flexibility in relation to withdrawals. For full technical binding detail in relation to the operation of withdrawals please refer to the Policy Conditions.

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