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SECURE CAPITAL OPTION
BOOKLET

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Introduction and application

This booklet sets out terms and conditions that apply to the Secure Capital Option in addition to your General Terms and Conditions. If you choose the Secure Capital Option, MetLife guarantees the value of the part of your Policy to which the Secure Capital Option applies subject to the terms set out in Section 2 below. This booklet may be subject to change from time to time in accordance with Section 5. The current version of this booklet from time to time will be available on our website and/or can be obtained by contacting the Administration Office.

Words with capital letters have specified meanings. These are explained in Section 6.

1 Investment and Eligible Investment Funds

1.1 Selecting the Secure Capital Option

You can choose the Secure Capital Option when you first make an investment or at a later date.

If you hold a MetLife Retirement Portfolio Policy, MetLife ISA Portfolio or a MetLife Trustee Retirement Portfolio Policy you can choose the Secure Capital Option if the Secure Capital Investment is made or allocated on or before your 76th birthday.

If you hold a MetLife Bond Policy, you can choose the Secure Capital Option if the Secure Capital Investment is made or allocated on or before the relevant Life Assured's 76th birthday.

The Secure Capital Option can be selected to apply to any or all of your investment.

The Secure Capital Option is not available on investments covered by the Secure Income Option, unless you switch out of that option.

MetLife reserves the right to change the Investment Funds available for new investments and switches into the Secure Capital Option. For clarity, this includes removing the Secure Capital Option. Please see the MetLife Fund List for the Funds available at that time.

1.2 Active Asset Allocation

The Secure Capital Option is available by selecting one or more Investment Choices through Active Asset Allocation. Once you have made this selection it will apply for the duration of your guaranteed term. The Investment Choices available relate to the maximum percentage of your investment that you wish to be invested in the Growth Asset at any time. You can select the appropriate Investment Choice(s) for you from the range in the current MetLife Fund List. Please see the Charges Booklet for the associated guarantee charges. MetLife reserves the right to change the Investment Choices available for new investments and switches into the Secure Capital Option.

Using the Active Asset Allocation process, MetLife will move your investment between a Growth Asset and a Secure Asset, via a Liquidity Account. The Liquidity Account is used to facilitate the movement between the Growth Asset and the Secure Asset and may appear on your Statement.

Through Active Asset Allocation, your investment will move over time between the Growth Asset and Secure Asset. This movement is broadly based on the value of your fund relative to MetLife's estimate of the value of your future guaranteed benefits. As the value of your investment and the value of your future guaranteed benefits are unique to you, you will have personalised asset allocation over time.

The value of your investment is determined by factors including the amount of your investment, when funds are invested, and the performance of your investments.

We use a number of factors to determine the value of your future guaranteed benefits. These include an estimate of expected returns on your investment in the Secure Asset, taking into account MetLife charges and MetLife's estimate of the Secure Capital Value guaranteed at the end of your selected term.

Where your guaranteed benefits increase relative to the value of your investment, and in order to control the risk of your underlying investments falling in value, the Active Asset Allocation process will move your investment in the Growth Asset into the Secure Asset. This will reduce the amount of your investment in the Growth Asset.

Where your guaranteed benefits decrease relative to the value of your investment, the Active Asset Allocation process will move your investment in the Secure Asset into the Growth Asset up to the maximum Growth Asset exposure you selected. This will reduce the amount of your investment in the Secure Asset.

In order to control the risk of your investment falling in value relative to the value of your estimated guaranteed benefits, Active Asset Allocation will move your investment into the Secure Asset as you approach the end of your capital guarantee term. This means that your fund value will be less likely to increase or decrease in value as it gets closer to the end of the guaranteed term.

Once your investment is significantly invested in the Secure Asset, it is unlikely that the Active Asset Allocation will move your investment back into the Growth Asset.

An Investment Choice with a higher maximum exposure to the Growth Asset will have more exposure to the volatility of equities. This means Active Asset Allocation may move your investment into and out of the Secure Asset at a faster rate to control the risk of the fund falling in value.

Additionally an Investment Choice with a higher maximum Growth Asset exposure is likely to have a more variable investment value. In such circumstance, this may result in Active Asset Allocation moving your investment into the Secure Asset earlier in the lifetime of your investment than one with a lower maximum Growth Asset exposure.

Please see the MetLife Fund List for further details on Investment Funds.

We will provide you with information on your asset allocation in your Statement. Valuations can be requested at any time.

1.3 Minimum investment

The minimum investment into the Secure Capital Option is £5,000.

Any further investments or switches into the Secure Capital Option must be at least £5,000.

Regular payments into the Secure Capital Option are not permitted.

1.4 Minimum and maximum term

You must choose the term of each Secure Capital Investment. You may select different maturity dates or terms for different parts of the same investment. If you hold a MetLife Bond Policy, you must select a term in whole years.

Max Growth Asset	Minimum term	Maximum term
25%	12 years	20 years
35%	14 years	20 years
50%	18 years	20 years

You cannot amend the term of any Secure Capital Investment once you have chosen it, but, subject to the provisions of these terms, you can choose to make further investments into the Secure Capital Option on terms available at that time.

If you make an Application to invest in the Secure Capital Option under the MetLife Retirement Portfolio or the MetLife ISA Portfolio which consists of more than one transfer or payment the term will be set for all investments provided the investments are received within 10 weeks of the Application.

1.5 Switching into or out of the Secure Capital Option

You can choose the Secure Capital Option when you first make an investment or at a later date subject to the terms and conditions relating to investments or switches into the Secure Capital Option available at that time. If you switch investments that were not invested through Active Asset Allocation out of the Secure Capital Option, then it is not possible to switch into the Secure Capital Option for a period of six months from the date of such switch. Switches into the Secure Capital Option require prior consent from MetLife if by switching into the Secure Capital Option, the total Secure Capital Value and Secure Income Base across all MetLife policies held by you (or in respect of any Life Assured thereunder) would exceed £1,500,000 at the date of the switch request.

You may inform us at any time that you no longer wish the Secure Capital Option to apply to some or all of your investments. In such circumstances, the Secure Capital Option will cease to apply to such investments with immediate effect and you will lose the guaranteed benefits associated with such investments.

We reserve the right to apply a charge for excessive switching. Please see the Charges Booklet for details and charges.

2 How it works

2.1 Secure Capital Value

When you apply for the Secure Capital Option in relation to some or all of the Investment Funds in your Policy, we will calculate a Secure Capital Value for that part of your Policy covered by the Secure Capital Option (your Secure Capital Investments).

The Secure Capital Value will initially be equal to the amount of your investment in the Secure Capital Option less any Initial Adviser Charge you instruct us to pay to your Financial Adviser. Where you instruct us to facilitate an Initial Adviser Charge on the MetLife Retirement Portfolio or MetLife Trustee Retirement Portfolio, we will do so by deducting such a charge proportionately across all the investments in your Policy.

Where you instruct us to facilitate an Initial Adviser Charge on the MetLife ISA Portfolio or the MetLife Investment Bond Portfolio, we will facilitate this from the payment we receive from you before we invest your monies in the Secure Capital Option.

For subsequent switches into the Secure Capital Option, the Secure Capital Value is initially set to be equal to the amount switched into the Secure Capital Option.

The guaranteed amount at the end of the selected term under the Secure Capital Option is equal to the Secure Capital Value. On the Secure Capital Return Date, the value of funds to which the Secure Capital Option applies will be switched into the MetLife Cash Fund. The value of the investment that was in the Secure Capital Option may then be switched into any other Investment Fund or Funds available at that time (subject to any applicable fund switching charges).

2.2 Circumstances in which your Secure Capital Value may reduce

The following payments out of your Secure Capital Investments (referred to as "Payments Out") will immediately reduce your Secure Capital Value proportionately based on the value of the relevant Investment Funds immediately prior to deducting the Payment Out:

- transfers out, surrenders, income withdrawals and regular withdrawals as appropriate;
- switches out of the Secure Capital Option;
- Pension Commencement Lump Sums and Uncrystallised Funds Pension Lump Sums taken under a MetLife Retirement Portfolio;
- Ad hoc Adviser Charges facilitated from your Secure Capital Investments;
- Ongoing Adviser Charges facilitated from your Secure Capital Investments; and/or
- where you switch into Secure Capital Investments, Trail Commission taken from your Secure Capital Investments.

2.3 Ongoing Adviser Charges and your Secure Capital Value

If you have instructed us to pay Ongoing Adviser Charges to your Financial Adviser from your Policy and you do not wish your Secure Capital Value to be reduced by the facilitation of Ongoing Adviser Charges, you can instruct us to facilitate Ongoing Adviser Charges from any Protected Growth Funds and

Non-Guaranteed Investments you hold. You will need to ensure that you maintain a sufficient amount in any such Non-Guaranteed Investments and Protected Growth Funds; if you do not then we will deduct the Ongoing Adviser Charge from your Guaranteed Investments. See the Charges Booklet for more details.

2.4 Secure Capital Reviews

Secure Capital Reviews will take place on every Business Day.

At each Secure Capital Review the Secure Capital Value will be set to the greater of the existing Secure Capital Value for that investment and the actual value of the Secure Capital Investments. Where the actual value of the Secure Capital Investments is less than the existing Secure Capital Value, then the Secure Capital Value will remain unchanged.

3 Death benefits

3.1 Death benefits for holders of the MetLife Retirement Portfolio Policy and MetLife Trustee Retirement Portfolio

If you hold a MetLife Retirement Portfolio Policy or a MetLife Trustee Retirement Portfolio and you die while you are invested in the Secure Capital Option, a guaranteed death benefit applies to the part of your Policy covered by the Secure Capital Option. The death benefit payable will be equal to the greater of:

- a. the guaranteed death benefit, that is the Secure Capital Value on the next Valuation Point after receipt of satisfactory evidence of death; and
- b. the value of your Secure Capital Investments calculated on the next Valuation Point following satisfactory evidence of your death less any outstanding Charges applicable to your Policy.

3.2 Death benefits for holders of the MetLife ISA Portfolio and MetLife Bond Policies

If you hold a MetLife ISA Portfolio and you die while you are invested in the Secure Capital Option, or, you hold a MetLife Bond Policy and the appropriate Life Assured dies while you are invested in the Secure Capital Option, a guaranteed death benefit applies to the part of your Policy covered by the Secure Capital Option. The death benefit will be payable equal to the greater of:

- a. the guaranteed death benefit, that is the Secure Capital Value on the next Valuation Point after receipt of satisfactory evidence of death; and
- b. 100.1% of the value of your Secure Capital Investments less any outstanding Charges applicable to your Policy calculated on the next Valuation Point after receipt of satisfactory evidence of death.

The "appropriate Life Assured" for the purposes of this Section 3.2 will depend on the basis chosen at the outset of your MetLife Bond Policy.

4 Charges

4.1 Secure Capital Option charge

We will make an extra charge where you choose the Secure Capital Option on any part of your Policy. The charge applicable to you is shown on your Illustration and is also set out in the Charges Booklet. The charge is taken through Unit deductions monthly in arrears at the rate of 1/12 of the annual percentage rate of the amount of the Secure Capital Value at the time of the charge.

The annual percentage rate of the charge varies according to the maximum Growth Asset Investment Choice you have selected through Active Asset Allocation and the term selected. The charge will be calculated and deducted on the same date each month. MetLife reserves the right to change this date.

5 Variation

MetLife reserves the right to waive any limit, restriction or condition set out in this booklet, other than those which reflect requirements of legislation. Any waiver may be subject to such conditions as MetLife may decide.

The terms and conditions set out in this booklet may be varied by us from time to time in respect of new business, existing business or both and therefore this booklet is subject to change.

In respect of existing business, we may vary the terms and conditions contained in this booklet and which are applicable to your Policy, as we reasonably consider appropriate in the circumstances if:

- there are any obvious errors or omissions affecting your Policy;
- there is a request from any regulatory authority to do so;
- the conditions for the tax privileges granted to your Policy change;
- there is a change in the law, regulation or taxation affecting MetLife or your Policy (including a change in the interpretation or application thereof);
- any other circumstances beyond our control arise which, in our reasonable opinion, make it impossible or impracticable to carry out any of the terms and conditions contained in this booklet.

Whenever practicable, we will give you not less than 30 days' prior written notice of any variation in the terms and conditions contained in this booklet and then applicable to your Policy, unless otherwise stated.

6 Defined Terms

Words or phrases with capital letters used in this booklet have the meaning set out below. If there is any inconsistency between the Defined Terms below and your General Terms and Conditions, this booklet shall prevail.

Active Asset Allocation

is the process that MetLife uses to allocate your investment between the Growth Asset and Secure Asset within the upper limit that you have chosen.

Ad hoc Adviser Charge

has the meaning given to it in the Charges Booklet.

Administration Office

has the meaning given to it in your General Terms and Conditions.

Adviser Charges

has the meaning given to it in the Charges Booklet.

Annual Statement

means the statement in respect of your MetLife Retirement Portfolio Policy or MetLife Bond Policy, provided to you by MetLife each year following the start of your Policy.

Business Day

means a day, other than a Saturday or a Sunday or a public holiday, on which the London Stock Exchange is open for business.

Charges Booklet

means the booklet entitled "Charges Booklet" produced by MetLife (as amended from time to time) containing important information on the charges that may affect your Policy from time to time.

General Terms and Conditions

means (as applicable):

- in respect of MetLife Retirement Portfolio Policies, the MetLife Retirement Portfolio General Terms and Conditions;
- in respect of MetLife ISA Portfolios, the MetLife ISA Portfolio Terms and Conditions;
- in respect of MetLife Trustee Retirement Portfolio Policies, the MetLife Trustee Retirement Portfolio General Terms and Conditions;
- in respect of MetLife Bond Policies, the MetLife Investment Bond Portfolio UK General Terms and Conditions, the MetLife Investment Bond Portfolio International General Terms and Conditions, MetLife Bond UK General Terms and Conditions or MetLife Bond International General Terms and Conditions.

Growth Asset

means a fund that provides stock market exposure through equity investments, only available through Active Asset Allocation.

Illustration

has the meaning given to it in your General Terms and Conditions.

Investment Choice

means the different maximum exposure to the Growth Asset you can choose from, to apply to your investment when investing through Active Asset Allocation.

Investment Fund

means any of the funds listed in the MetLife Fund List from time to time which are available for investment under your Policy. This includes any of the Investment Choices offered through Active Asset Allocation.

Life Assured

means the person, or persons, on whose life the Policy depends and shown in the Policy Schedule and "relevant Life Assured" shall be determined in accordance with the MetLife Bond General Terms and Conditions.

Liquidity Account

means the account which effects the movement between the Growth Asset and Secure Asset within Active Asset Allocation.

MetLife

has the meaning given to it in your General Terms and Conditions.

MetLife Bond Policy

means a Policy issued by MetLife on the MetLife Investment Bond Portfolio General Terms and Conditions or the MetLife Bond UK General Terms and Conditions or MetLife Bond International General Terms and Conditions.

MetLife Cash Fund

means the fund bearing the name “MetLife BlackRock Sterling Liquidity Fund” or such other money market fund as available from time to time.

MetLife Fund List

means the document entitled “MetLife Fund List” produced by MetLife containing important information on the Investment Funds available to you under your Policy (as amended from time to time).

MetLife Investment Bond Portfolio General Terms and Conditions

means the MetLife Investment Bond Portfolio UK General Terms and Conditions or the MetLife Bond International General Terms and Conditions.

MetLife Investment Bond Portfolio International General Terms and Conditions

means the MetLife Investment Bond Portfolio International General Terms and Conditions produced by MetLife setting out the general terms and conditions that apply to your Policy which is invested in the MetLife Investment Bond Portfolio International (as amended from time to time).

MetLife ISA Portfolio

means a stocks and shares Individual Savings Account which contains one or more life assurance policies provided by MetLife on the MetLife ISA Portfolio General Terms and Conditions.

MetLife ISA Portfolio General Terms and Conditions

means the ISA Portfolio General Terms and Conditions produced by MetLife setting out the General Terms and Conditions that apply to your MetLife ISA Portfolio (as amended from time to time).

MetLife Retirement Portfolio General Terms and Conditions

means the MetLife Retirement Portfolio General Terms and Conditions produced by MetLife setting out the general terms and conditions that apply to your Policy in which your participation within the Scheme is invested (as amended from time to time).

MetLife Investment Bond Portfolio UK General Terms and Conditions

means the MetLife Investment Bond Portfolio UK General Terms and Conditions produced by MetLife setting out the general terms and conditions that apply to your Policy which is invested in the MetLife Investment Bond Portfolio UK (as amended from time to time).

MetLife Retirement Portfolio Policy

means a Policy issued by MetLife on the MetLife Retirement Portfolio General Terms and Conditions.

MetLife Trustee Retirement Portfolio General Terms and Conditions

means the MetLife Trustee Retirement Portfolio General Terms and Conditions produced by MetLife setting out the general terms and conditions that apply to your Policy (as amended from time to time).

MetLife Trustee Retirement Portfolio Policy

means a Policy issued by MetLife on the MetLife Trustee Retirement Portfolio General Terms and Conditions.

Non-Guaranteed Investment

means any investments forming part of your Policy (other than Protected Growth Funds) that are not covered by a MetLife guarantee (whether Secure Income Option or Secure Capital Option).

Ongoing Adviser Charge

has the meaning given to it in the Charges Booklet.

Payments Out

means the payments listed in Section 2.2 which, if paid out of your Secure Capital Investments, will also immediately reduce your Secure Capital Value proportionately based on the value of the relevant Investment Fund at that time.

Pension Commencement Lump Sum

has the meaning given to it in the MetLife Retirement Portfolio General Terms and Conditions.

Policy

has the meaning given to it in your General Terms and Conditions.

Policy Schedule

means your initial policy, plan or ISA schedule and any endorsements and subsequent schedules, as applicable.

Scheme

means the MetLife Personal Pension Scheme which is provided under the MetLife Retirement Portfolio.

Secure Asset

provides access to a portfolio of corporate bonds which benefit from active management.

Secure Capital Investment

means an investment in the Secure Capital Option under your Policy.

Secure Capital Option

means the option under the Policy to make an investment whereby a capital amount is guaranteed at a pre-selected date, or at the end of a pre-selected term, as applicable.

Secure Capital Option Booklet

means this booklet entitled "Secure Capital Option Booklet" produced by MetLife setting out terms and conditions which apply to the Secure Capital Option (as amended from time to time).

Secure Capital Return Date

means the date on which a Secure Capital Investment matures in accordance with the terms and conditions of your Policy.

Secure Capital Review

means the regular reviews of the Secure Capital Value as described in Section 2.4 of this Secure Capital Option Booklet.

Secure Capital Value

means the amount that we guarantee your Secure Capital Investment will be worth at the end of the term that you have specified.

Secure Income Base

has the meaning given to it in the Secure Income Option Booklet.

Secure Income Option

means the option under your Policy to make an investment whereby an income is guaranteed for life as described in the Secure Income Option Booklet.

Secure Income Option Booklet

means the booklet entitled "Secure Income Option Booklet" produced by MetLife setting out terms and conditions which apply to the Secure Income Option (as amended from time to time).

Statement

means your Annual Statement or Unit Statement as applicable.

Trail Commission

has the meaning given to it in the Charges Booklet.

Uncrystallised Funds Pension Lump Sum

means a lump sum taken from pension funds that you have not taken benefits from, part of which is tax-free.

Unit

means a notional entitlement that quantifies the value of benefits payable under policies issued by us, by reference to the value of Investment Fund(s) to which your Policy may be linked.

Unit Statement

means in respect of your MetLife ISA Portfolio, the statement provided to you twice yearly following the start of your ISA or in respect of your MetLife Trustee Retirement Portfolio, the statement provided to you by MetLife quarterly each year following the start of your Policy.

Valuation Point

means the time when we work out the value of our Funds. For any activity undertaken, as outlined in your General Terms and Conditions, we calculate Unit prices based on the "next Valuation Point". The "next Valuation Point" is normally no later than three business days following receipt of your written request or satisfactory evidence of death.



Want to find out more?

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