

## The Discerning Investor

*The Executive Bond offers you a high-powered  
portfolio that puts you in the driving seat*



*For Professional Investors not resident in the UK.*





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# Giving you ultimate investment freedom

*The Executive Bond from Quilter International Isle of Man Limited (Quilter International), is a medium- to long-term investment (5 to 10 years or longer) that can adapt as your life unfolds. You can change assets, make payments, take withdrawals – whatever suits your evolving lifestyle.*

**Please remember that investments can fluctuate and you may not get back the full amount of your original investment.**

This brochure explains how an Executive Bond could benefit individual investors. Many of these benefits equally apply to trustees and companies wishing to invest. Please speak to your financial adviser, who will be able to explain any important differences.

This intelligently composed portfolio bond takes maximum advantage of offshore tax benefits. It gives you the freedom to build your wealth by investing in a wide range of assets with plenty of potential for capital growth.

It could help you create the financial future you want, as well as providing estate planning options to enable you to pass on as much of your wealth as possible to your children and future generations.

Different versions of the Executive Bond are available depending on your investment needs and your country of residence. Please speak to your financial adviser for more information about the version that may be suitable for you.


You own the bond, its value is linked to a selection of assets that you choose, but which are owned by Quilter International. You can normally trade these assets as and when you need to. This allows you to consolidate your investments within a single portfolio, making it easier for you to monitor their performance and saving you and your financial adviser valuable time.

#### **With the Executive Bond you can:**


- invest a lump sum of £50,000/ US\$75,000/€75 000 or more (or currency equivalent)
- add extra lump sums of at least £2,500/US\$3,750/€3 750 (or currency equivalent)

- take advantage of investment opportunities from many of the world's leading fund managers and major stock exchanges
- choose exactly how you want to invest your money, with your financial adviser's help
- enjoy flexible access to your capital including an option to take regular withdrawals (see Easy access to your capital on page 10)
- change assets to update your portfolio and keep in step with developments in your life
- take maximum advantage of offshore tax benefits
- use your investment to generate a regular 'income'
- create a trust for your children or grandchildren's future
- transfer existing assets into your bond\*
- appoint an independent fund adviser or a 'discretionary manager' so you can benefit from their guidance and expertise
- reduce paperwork and monitor your investment easily, keeping all the investments in a single bond
- monitor performance and carry out transactions online through Wealth Interactive, our award-winning online service (see page 8).

\* Subject to our acceptance.



*This intelligently composed portfolio bond takes maximum advantage of offshore tax benefits.*



#### **The Executive Bond is suitable for professional investors**

A Professional Investor is a person or entity that possess the required expertise, experience and knowledge to adequately understand the features and risks associated with this product, the underlying investment options available (including assets which are not designed for or suitable for Retail Investors) and services being offered. Generally, a Professional Investor would be an entity or natural person that would fall under one or more of the following definitions:

- National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank and the International Monetary Fund.
- An entity authorised, licensed and regulated to operate in the financial markets and whose main activity is investing in financial instruments.
- A natural person whose level of financial sophistication is consistent with local professional investor (or equivalent) regulations that may apply in the market where the business is conducted.

#### **The benefits of open architecture**

The Executive Bond gives you immense flexibility and freedom of choice, through access to a wide range of investment asset types. This wide investment choice is known as 'open architecture'. It enables you to invest in all kinds of offshore or mutual funds, stocks and shares, fixed-interest securities, multi-currency deposits, hedge funds, structured notes, exchange-traded funds and other alternative investments.

This means you can customise your portfolio precisely to your individual needs and preferences, without having to compromise in order to fit in with pre-set rules and parameters.

#### **A premier provider of offshore investment solutions for over 20 years**

Quilter International is a leading cross-border provider of wealth management solutions. Our aim is to help you, together with your financial adviser, manage and grow your investments; not just for your own future, but for your family and the generations to come.

We are one of the few financial service providers to operate in multiple global markets, offering effective financial planning solutions to expatriates and local investors across the world including Africa, Asia, Europe, Latin America, and the Middle East.

We recognise how important it is for you to know that your financial interests are being taken care of, and we take huge pride in the part we play in helping you to achieve this. We understand that each investor is an individual with bespoke needs and different goals - whether that be searching for tax-efficiency, saving for a future event, securing a regular income, or investing for a prosperous retirement.



## The investment that changes with your life

*Your investment needs will change regularly as your life evolves.  
That's why the Executive Bond is designed to be so flexible.*

You can take it with you if you need to move from country to country, and you can change the balance of your portfolio to reflect a need for more security, greater growth potential or a different ethical slant.

There is no legal restriction on your contributions\* or fund size, so you can invest as much as you wish in your bond and even move assets\* across from existing investments.

\* Subject to our acceptance.

### A choice of assets

The Executive Bond allows you and your financial adviser to build a portfolio of assets to match your medium- to long-term objectives and your current attitude to risk. You then have freedom to change the assets as and when appropriate.

You can choose from a wide range of assets from all over the world. These include collective investment funds or unit trusts agreed by Quilter International; bank accounts; and stocks and shares quoted on a recognised stock exchange.

Plus, subject to our approval, you can add fixed-interest securities, multi-currency deposits, hedge funds, structured notes, exchange-traded funds and other alternative investments.

You can invest in as many different assets as you wish, provided you keep a minimum of £2,500/US\$3,750/€3,750 (or currency equivalent) in each holding.

### Support and service from Quilter International

As soon as you invest in an Executive Bond, you will be invited to get closer to your investments through our innovative online service, Wealth Interactive. It's a secure site that gives you quick and easy access to everything you need to know about your bond (see page 8). Your financial adviser will also have access to Wealth Interactive. The customer and adviser sites are perfectly synchronised: information is pushed through from one to the other, so you are both instantly alerted to each other's activity on your policy.

Your financial adviser can also call on us at any time for technical support, from tax information to administrative issues.

### Plus extra external expertise...

If you wish, you can nominate an independent fund adviser to work alongside your financial adviser. The fund adviser can guide you both through the process of choosing assets and then manage your portfolio for you. However, all decisions will ultimately be made by you.

You can also go one step further and allow your fund adviser to have complete discretionary authority to make decisions on your behalf in line with pre-agreed boundaries. This could give you the reassurance that your bond is being pro-actively managed and holds the most appropriate assets for your needs.

If you are interested in using a fund adviser, your financial adviser will be able to recommend one for you or may even be able to offer this service themselves.

*...allows you and your financial adviser to build a portfolio of assets to match your medium- to long-term objectives and your current attitude to risk...*

#### **...and your choice of custodian\***

The structure of a bond means that a 'custodian' is used to hold, on Quilter International's behalf, the assets that you choose to link to your bond. Quilter International will use its own appointed custodian to play this important role. You may want an alternative 'custodian' to be appointed, who also has the power to provide dealing investment services on your behalf. For example, you may have a relationship with a financial institution that is already holding some existing assets for you, and that you therefore know, trust and want to continue using.

*\* Subject to our acceptance.*

#### **A choice of currencies**

When you open your bond, you choose a currency for it, which can be any one of a number of major currencies available. So, your investments can all be summarised in your chosen currency and viewed at the same time. However, that does not mean you have to make your payments or withdrawals in that currency, or that you are limited to investments based on that currency.

For example, you could choose US dollars as your policy currency, but make your payments in euros and invest in assets based in sterling. However, you should be aware that making investments in different currencies could lead to losses or gains due to exchange rate fluctuations.

#### ***Case study: Mary***

'My financial adviser recommended the Executive Bond because she believes I should spread my investments across as wide a range of assets as possible. The bond's open architecture aspect allows that, as well as giving me greater growth potential.

I've also nominated a discretionary manager who can make decisions on my behalf because, let's face it, I don't have the time or expertise to dabble in the markets. When he sees an offer I shouldn't refuse, he snaps it up, so I never miss out on a good opportunity.'

**Please note:** this quotation and case study are fictional and used purely to illustrate a possible real-life scenario.



## Stay in touch with your investments with Wealth Interactive

*You're investing a sizeable sum of money into your Executive Bond, so you have a right to expect complete visibility of its performance.*

*For more information  
on Wealth Interactive,  
just visit our website:*

***[www.quilterinternational.com/  
wealthinteractive](http://www.quilterinternational.com/wealthinteractive)***

These days we expect to be able to control everything online, from our music collection to our bank accounts, so why should our offshore investments be any different?

As soon as you invest in an Executive Bond, you will be invited to get closer to your investments through our innovative online service, Wealth Interactive. It's a secure site that gives you quick and easy access to everything you need to know about your bond:

- ▶ Its current value
- ▶ Its historic value
- ▶ How your assets are performing
- ▶ A library of the correspondence you've received from us
- ▶ A history of the transactions you or your adviser have made
- ▶ Access to factsheets for the assets you hold

Wealth Interactive doesn't just let you look at your investments' activities – it allows both you and your adviser to carry out transactions online.

### **You can:**

- ▶ manage your personal and policy details
- ▶ create or update withdrawals
- ▶ buy and sell assets following discussion with your adviser.

Wealth Interactive is designed to empower you and your financial adviser to manage your wealth in partnership. It provides your adviser with useful online tools such as financial goal planning and risk profiling to help them fully understand your investment objectives. Once your Executive Bond has started, all you have to do is simply activate your Wealth Interactive online service account so that you can enjoy all of the benefits.





# Neatly packaged to save you time, hassle and money

*Keeping track of a wide-ranging portfolio requires time and effort. However, one of the key advantages of the Executive Bond is that you can manage and monitor all the investments within a single bond.*

## *Case study: Bahir*

'Over the years I seem to have accumulated a ridiculous number of different investments in different places. The Executive Bond has allowed me to consolidate them all into a single contract where I can look at them all together and get a holistic view of how they're doing at the touch of a button. Then I can make properly informed decisions and choices with the help of my financial adviser.'

So when you or your financial adviser want to check your portfolio's performance, you can access all the valuations and reports within a single website, instead of logging on to multiple sites.

What's more, we will coordinate all the deals for you. You'll also enjoy the benefits of consolidated reporting, without the hassle of individual paperwork, dividend receipts and tax returns for each separate investment. This may even save you money, as it involves less work for your accountant and financial adviser.

### **Simple dealing**

It's easy to move money between assets whenever you want. All deals are coordinated by Quilter International and you or your financial adviser can utilise our online service Wealth Interactive to place deals online directly with Quilter International.


Please note that there may be dealing charges, one for the sale and one for each purchase.

You can transfer existing investments into your Executive Bond, to reduce paperwork even further – as well as potentially lowering your overall portfolio management costs. Please note that all assets need to be agreed by Quilter International beforehand, and that the transfer may affect your tax liabilities.


### **Economies of scale**

You'll also benefit from Quilter International's global buying power. Because we make multiple deals on behalf of our investors, we may be able to negotiate higher interest rates on deposits for you, as well as making savings on initial asset charges, so more of your money is invested right from the start.

You may even be able to access funds which would not normally be available to you as an individual investor. Some of these are specialist funds, so it's vital to seek professional advice and read the fund prospectus to make sure you're aware of all the possible risks.



*The bond makes it much easier to keep track of my investments.*





## Easy access to your capital

*The Executive Bond gives you flexible access to your capital – subject to a minimum withdrawal amount of £500/US\$750/€750 (or currency equivalent).*

All withdrawals will be free of charge as long as you leave in a surrender value\* of £10,000/US\$15,000/€15 000 (or currency equivalent), or at least 25% of your total investment, whichever is higher. There may, however, be a charge on the asset from which you are withdrawing, for example if you were to withdraw from a fixed-term deposit. If the value of your bond falls below this amount, we have the right to surrender it.

There may be tax implications to making encashments of any type. You should speak to your financial adviser about any tax consequences before you instruct us to encash any part of your bond.

### **One-off withdrawals**

As long as you leave the minimum amount in your bond (see previous paragraph), you can normally withdraw any amount you want. However, please remember that the Executive Bond is designed for medium- to long-term investment, so taking money out of your bond in the early years can dramatically reduce its growth potential.

### **Regular withdrawals**

You can use your bond to create a regular income; either yearly, half-yearly, quarterly or monthly. You should ask your financial adviser about the tax and financial planning implications before you commit to this.

\* The surrender value must take into account any charges that apply.





You may take one-off withdrawals from your bond, although an early withdrawal charge may sometimes apply if you cash in some of your investment (this will also depend on the assets you have invested in). Please refer to the charges section of the Terms and Conditions for further details.

Taking money out of your bond, especially in the early years can dramatically reduce the potential for your investments to perform – so we strongly believe you should stay invested for at least five years. This will also help to mitigate the effect of the charges made when you set up your bond.



# The tax-efficient way to invest

## Tax planning

As an offshore asset, your investments can grow virtually free of income tax, capital gains tax or corporation tax in the Isle of Man\*.

This in turn enables you to postpone and minimise tax payments by timing your withdrawals appropriately.

## A safe home for your investments

The Executive Bond is provided by Quilter International Isle of Man Limited. Quilter International Isle of Man is based in an established international finance centre with a stable and independent legal, political and regulatory framework. This means your investment is held in a secure offshore environment.

## Why we've chosen the Isle of Man as our base

The Isle of Man is a tax-efficient environment and Quilter International Isle of Man is not currently liable to income tax, capital gains tax or corporation tax on assets linked to policies, so your investment will be able to grow virtually tax free.

It's possible that withholding tax may be deducted from some of the dividends at their country of origin. However, once inside your bond they can accumulate tax free\*.

This environment means you can make the best use of your own personal tax allowances. Switching between funds and assets will also be tax free in the Isle of Man.

*\* You may have to pay some tax, either on the growth of the investment or when money is paid out, depending on the taxation in the country in which you reside.*

## Moving to the UK

In the UK, an Executive Bond is regarded as a personal portfolio bond. Currently this means that where this type of bond is held by a UK tax resident, a penal tax charge will apply each year. This charge is based on a deemed gain of 15% of the premium but it is a compounding charge increasing each year\*\*.

If you are planning to move to the UK you will become UK tax resident, and will be liable for this tax charge. To mitigate the charge, you can ask Quilter International to endorse your Executive Bond to restrict the assets in which your Bond can invest.

We strongly recommend you discuss your options with your financial adviser before becoming UK tax resident.

*\*\* Tax treatment may differ if the Executive Bond is held as the investment vehicle within a pension.*

## Estate planning

Your financial adviser may suggest that you place your Executive Bond in trust. This can ensure your wealth is used as you intend during your lifetime and after you die, and may offer some advantages in the future, for example if you are self-employed or get divorced, or if you have an estranged family.

It can also benefit your family or beneficiaries after your death by helping them to avoid probate issues.

As an added benefit, Quilter International offers a comprehensive range of trusts which could be suitable for your needs. If you wish, you can complement this with our professional trust service, the Quilter International Trust Company.

If you want to find out more about trusts, we have a range of literature available which explains them in more detail. Your financial adviser will be able to give you copies and advise you whether a trust would be advantageous for you.



## Fees, charges and your right to cancel

*The charges for setting up and maintaining your Executive Bond will depend on the kind of assets you choose, your agreement with your financial adviser, and other variables.*

Your financial adviser will provide details and explanations, and the charges will also be listed for you in a charges' schedule.

### The charges will cover:

- ▶ the costs Quilter International has incurred in setting up and managing your bond
- ▶ the administrative costs of the fund managers
- ▶ fees charged by your financial adviser.

You may need to pay an early withdrawal charge if you cash in your bond fully in the early years. The amount of this charge reflects the cost to us of setting up the bond, including any payments (such as commission) made by Quilter International to your financial adviser. This charge may also apply if you cash in part of your bond and the amount remaining is less than either 25% of your total investment, or £10,000/US\$15,000/€15 000 (or another currency equivalent).

If you decide to move any of the investments into a different fund or asset, you will usually have to pay a dealing charge. This is currently £17 for each transaction. Most dealings involve two transactions: out of the current asset and into the new one – so the charge would be £34. You may need to pay other third-party charges, such as bank charges, which will be included in the net amount being dealt.

The Executive Bond and some of the investments which may be held within it have fees which exist partly to meet the advice, promotion and distribution expenses. These may include initial and ongoing payments (such as commission) made by us to your financial adviser. These payments could be in addition to any commission payable by the investment provider to your financial adviser in respect of the investment held. Quilter International may receive payments in the form of fund manager rebates, from an investment provider in respect of the investments held, and which Quilter International may share with your financial adviser.

Further details of the fees payable by you and the amounts payable to your financial adviser are available from your financial adviser on request.

### Your right to cancel

You have the right to cancel your Executive Bond and obtain a refund of any premium(s) paid, less any applicable charges\* and any fall in the value of the assets linked to your Executive Bond. You have 30 days from the date that you receive the Schedule to let us know you want to cancel. Further information on how to cancel can be found in the Executive Bond Terms & Conditions.

\* Where relevant, applicable charges include non-refundable fund charges, fees we have paid to your financial adviser on your behalf and bank charges.





## Talk to your financial adviser about the Executive Bond

*Your financial adviser looks at your financial arrangements holistically and can help make sure the bond fits in with your overall objectives and plans. They will be able to answer your questions, recommend specific assets and fund managers, and provide you with further support material, including the full Terms and Conditions. If you decide you wish to open an Executive Bond, your financial adviser will make the application and help to select the investments that are most suitable for you.*

We strongly recommend you and your financial adviser manage your bond to ensure there is always enough cash in liquid assets to meet charges and any regular withdrawals.

We do not sell our products directly to customers, but through financial advisers. Making an investment is an important decision, and we recommend that you seek your own independent financial advice by appointing one. With your appointed financial adviser you can decide whether to take out a Quilter International product and manage any investments you make. Quilter International cannot give you that advice. Whichever financial adviser you use you will need to provide us with confirmation that they can act on your behalf. Once we have received this we will consider them to be acting as your 'intermediary' between us. Unless you inform us otherwise, we may pay commission to your financial adviser in respect of any products you take out with us. Details of this payment will be available from your financial adviser.

### **The Executive Bond may be right for you if you:**

- are an expatriate or local individual, company or trust
- are aged between 18 and 89
- are looking to invest at least \$75,000/£50,000/€75 000 or currency equivalent into this product
- want to invest tax-efficiently over the medium- to long-term
- are wanting to achieve investment growth or looking for ways to pass on your wealth to future generations by using an appropriate trust or nomination
- want to achieve investment growth aligned to your attitude to risk
- expect to have access to a wide range of investment solutions, such as stocks, shares, bonds and collective investments that enable you to build a bespoke portfolio
- are happy to accept more risk than saving into a bank account
- want to have an option for a fund adviser to be appointed\* to make investment decisions and construct a bespoke portfolio.

*\* Subject to our approval.*

### **The Executive Bond may not be right for you if you:**

- have no other savings or investments
- are new to investing and are not comfortable in making investment decisions
- are not happy to accept the risk of potential investment losses and are looking for guaranteed investment growth
- require instant access to your money
- wish to invest your money in cash
- do not want access to professional investor funds.

**This document was last updated in June 2020.**

The value of your bond can rise or fall over time and there is no guarantee that your capital will be returned to you.

You should view your investment in the bond as a long-term commitment; if you cash in your bond in the early years we may make a charge and the amount you receive may be less than the premiums you've paid.

You and your financial adviser should satisfy yourselves that any particular asset is suitably based on your needs, objectives and attitude to risk. You should also familiarise yourself with any particular risks associated with the assets in your portfolio. There may be currency risks if assets are denominated in another currency, or liquidity and valuation risks for property funds, for example. The value of the assets linked to the bond determines the value of the policy and can fall as well as rise.

This brochure should be read in conjunction with the Policy Terms and where appropriate any additional product information. Your financial adviser will be able to provide you with a copy of the Policy Terms and product literature.

*Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs.*

*[www.quilterinternational.com](http://www.quilterinternational.com)*

*Calls may be monitored and recorded for training purposes and to avoid misunderstandings.*

*Quilter International Isle of Man Limited is registered in the Isle of Man under number 24916C.*

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