



# FLEXIBILITY AND FREEDOM

Use the Managed Capital Account to create your own individual saving's plan



**OLDMUTUAL**  
INTERNATIONAL

We'll help you get there

# TAKING CONTROL OF YOUR SAVINGS

## WOULD YOU LIKE TO BE ABLE TO INVEST ON TERMS THAT SUIT YOU? YOU COULD HAVE:

- freedom to choose when to make regular payments or add lump sums\*
- the ability to unlock the earnings' potential of many of the world's leading fund managers
- flexibility to move freely between investments as you save for your chosen goals
- access to one-off or regular withdrawals when required\*\*
- choice of how long you invest for\*\*\* – though we normally suggest a minimum of five years.

The Managed Capital Account (MCA) from Old Mutual International Isle of Man Limited (Old Mutual International) can offer you all of this – and much more. It's a highly flexible solution that lets you invest in the way you want and then withdraw your money to suit your needs.\*\*

Your account is set up so that it offers you access to a far greater range of funds than many other investment accounts offer, so you benefit from a wider choice and extra versatility. Although you could invest directly in some of these funds, the MCA gives you the convenience of viewing all your investments in a single account.

## PLANNING FOR A BRIGHTER FUTURE

Thanks to its flexibility, your MCA can become an integral part of your overall financial planning, as you can use it in so many different ways. You can adapt it to suit your lifestyle, changing the way you pay in or withdraw your money, and switching funds whenever you want. You can set up your account in US dollars, euros or sterling and, as there's no fixed term\*\*\*, you can save for as long as you want – or stop at any time.

Some possible ways you could use the MCA include:

**PROVIDING FOR YOUR CHILDREN'S EDUCATION:** because you can build up a substantial fund and then arrange regular withdrawals to pay school fees\*\*.

**SAVING FOR YOUR RETIREMENT:** the flexibility of this account means you can tailor your investments to create the kind of retirement fund you want, and then take withdrawals as and when it suits you. The MCA can be used as an investment vehicle for an approved pension, such as a Self Invested Personal Pension (SIPP), or a Qualifying Recognised Overseas Pension Scheme (QROPS). Your financial adviser will be able to give you more information about these options and help you decide whether they're right for you.

**GENERATION PLANNING:** you can place your MCA in trust and make sure your money is used as you wanted, both before and after your death. Ask your financial adviser whether this would benefit you and your family.

Different versions of the MCA are available depending on your investment needs and your country of residence. Please see the relevant 'at a glance' flyer which should accompany this brochure for more information about the version that may be suitable for you. Alternatively, please ask your financial adviser for a copy.

\* Subject to our acceptance.

\*\* Early encashment charges may apply, please speak to your financial adviser for more information.

\*\*\* Redemption version is subject to a maximum term of 99 years. Life assurance version ends on the death of the last life assured.



# A CHOICE OF WAYS TO PAY IN...

**WITH THE MCA, YOU CAN START WITH A LUMP SUM OR SET UP REGULAR MONTHLY OR QUARTERLY PAYMENTS, AND THEN INCREASE\* OR DECREASE YOUR PAYMENTS WHENEVER YOU LIKE.**

You can also pay in one-off lump sums\* as and when you receive them – such as ad hoc payments for freelance or short-term work, bonuses or even an inheritance.

If your circumstances change, you can also stop your regular payments for a while if you want – as long as your balance doesn't fall below US\$15,000 (€15,000/£10,000) – and then restart them.

\* increases to regular premiums are subject to a minimum premium level and payments of one-off lump sum premiums are subject to our acceptance.

# ...AND A CHOICE OF EASY WAYS TO ACCESS YOUR MONEY

- You can withdraw lump sums at any time. The minimum withdrawal is US\$750 (€750/£500).
- Each year you can withdraw an amount up to 10% of the value of the premiums paid without penalty. Please refer to your financial adviser for further details.
- As long as you're only making your payments as lump sum premiums, you can also use your MCA to provide an income (which can be annual, half yearly, quarterly or monthly) now or in the future if you need it. This gives you more flexibility and also an alternative source of funding.



Taking money out of your account, especially in the early years, will dramatically reduce the potential for your investments to perform – so we strongly believe you should stay invested for at least five years. Leaving your money invested for at least five years will also help to mitigate the effect of the charges made when you set up your account. If you take money out of your account early, you will be subject to an 8% charge in the first year of any investment, reducing to 1.6% by year five.



#### **CASE STUDY: CHRIS, AGED 38**

Chris has been living in the Middle East for a couple of years, earning more than he would be able to in his home country. While he is earning this tax-free money, he wants to put some aside as he knows he won't be living there forever. The Managed Capital Account enables him to save a regular amount each month and add in a portion of any bonuses that he receives.

Chris was thinking of moving to Asia in the future, if the right opportunity arises. If his circumstances change, he knows that he will be able to access his money easily but also continue to contribute to the account as he does at the moment.

**'I'm saving some of the tax-free money I earn, while I can.'**

#### **CASE STUDY: KRISHNAN, AGED 50**

Krishnan saves regularly in a Managed Capital Account, and tops up his account from his annual bonuses. Last year he decided to take advantage of a sabbatical from work and fly his wife and children to meet their relatives in India. He stopped making payments into his account, and used some of his balance to fund the trip.

Before he left, he switched his investments, free of charge, into funds with a more conservative profile, as he wouldn't be able to keep as close a watch on them as usual. Krishnan is now paying into his account again, but at a lower level than before because, due to his sabbatical, he won't qualify for a bonus this year.

**'I promised my children I'd take them to the place where I was born.'**

**Please note:** The quotations and case studies are fictional and used purely to illustrate possible real-life scenarios.





**i** The value of investments can fall as well as rise and is not guaranteed. Because of the short-term volatility of investment markets and the effect of the charges made when you set up your account, we believe strongly that you should remain invested for at least five years. Taking money out of your account early may also incur withdrawal charges.

# INVESTING FOR GROWTH, SECURITY AND TAX EFFICIENCY

## **WITH THE MANAGED CAPITAL ACCOUNT, YOU CHOOSE WHERE YOUR MONEY IS INVESTED, CREATING A PORTFOLIO TO MATCH YOUR OBJECTIVES AND ATTITUDE TO RISK.**

Our wide selection of over 380 competitive international investment funds means you can tailor your portfolio to suit your circumstances. If your life or needs change, you can simply alter your combination of funds or switch funds completely – currently free of charge.

We've done our best to make investing in the MCA as simple and convenient as possible for you:

- once you've chosen your portfolio, we do all the daily work and administration for you
- even if you choose numerous different funds, you will have minimum paperwork, and it's easy to keep track of your investments as you can view them all together in a single account
- you can check your investments simply and conveniently online to see how they're performing – our dedicated Old Mutual International Client Centre gives you up-to-date information at any time, day or night.

## **CHOOSING YOUR PORTFOLIO**

The MCA gives you access to over 50 of the world's leading fund managers and a wide range of funds in all kinds of asset classes, sectors and specialisations. You can select funds and fund managers yourself, or with the help of your financial adviser. Or you can use our specialist 'managing the managers' service, provided by our sister company, Old Mutual Global Investors (OMGI).

Our investment research specialists constantly monitor our range of funds. Any that fail to meet our exacting standards are removed from our list and replaced.

You'll also benefit from Old Mutual International's global buying power, which means we can often negotiate significant savings on initial fund charges for you, so more of your money is invested right from the start.

## **KEEPING YOUR INVESTMENTS SAFE**

The MCA is provided by Old Mutual International Isle of Man Limited. Old Mutual International Isle of Man Limited 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.

You will also be protected by the Isle of Man's policyholder protection scheme, which covers policies issued by an authorised life assurance company based on the island. This means you can claim for compensation in the unlikely event that Old Mutual International becomes insolvent.

## **MAKING THE MOST OF TAX-SAVING OPPORTUNITIES**

The Isle of Man is a tax-efficient environment and Old Mutual International is not currently liable to income tax, capital gains tax or corporation tax on funds linked to policies, so your MCA investment will be able to grow virtually tax free. Some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your account they can accumulate free of tax.

If you wish, we can help with tax planning or trust services within your MCA, allowing you to manage your investments, tax and trusts in a single package.

# STRENGTH IN NUMBERS

The Managed Capital Account is offered by Old Mutual International, a leading provider of financial solutions designed for both expatriate and local investors across the world, including Africa, Asia, Europe, Latin America, the Middle East and the United Kingdom. We are part of the Old Mutual Group, a FTSE® 100 company overseeing £319.4 billion in investments for 16 million customers worldwide (as at 31 December 2014).

We're proud of our achievements and are grateful for the awards we've received. These awards recognise the quality of our products, service and expertise, and further strengthen our reputation for providing market-leading financial solutions and excellent support. Old Mutual International has received many prestigious awards over the years, including Best International Adviser Portal at the Professional Adviser International Fund and Product Awards 2014. In the International Adviser Life Awards 2014, Old Mutual International won awards across all four regions of the Middle East, UK, Europe and Asia including Best Online Proposition and Best Overall Product Range.

## TALK TO YOUR FINANCIAL ADVISER ABOUT INVESTING IN THE **MANAGED CAPITAL ACCOUNT**

**BEFORE INVESTING IN A MANAGED CAPITAL ACCOUNT, WE WOULD ENCOURAGE YOU TO CONSULT YOUR PROFESSIONAL FINANCIAL ADVISER AND MAKE SURE THIS ACCOUNT FITS IN WITH YOUR OVERALL OBJECTIVES AND PLANS FOR THE FUTURE.**

Your financial adviser will be able to answer any questions, recommend specific funds and fund managers, and provide you with full Terms and Conditions.

### **CASE STUDY: OLIVER, AGED 38**

When his uncle left him £50,000 in his will, Oliver researched the most appropriate investment option for himself and his family and decided to deposit it in the MCA. He could then add lump sums when his finances allowed to create a fund for his children's education.

Oliver had always wanted to pick his own investments since he follows the financial pages, so he enjoyed choosing a range of funds with different risk levels with his financial adviser. Together, they decided to allocate half his money to low-risk funds, and to continue to review the markets and

Oliver's investment on a regular basis. Oliver can also invest some of his money over a period of time in order to suit his preferences, depending on the volatility of the market. This ensures that he is happy his money is in the best place for his needs and objectives at any given time.

He has also placed the MCA in trust to ensure that if he dies, the money he has put aside for his children's education is kept for that purpose.

**'It's the perfect place for my uncle's legacy.'**

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





# CLEAR, COMPETITIVE CHARGES

## ALL YOU NEED TO KNOW ABOUT OUR CHARGES AND THOSE OF YOUR FUND MANAGERS

Most importantly, we make sure the effect of our charges on your investment is consistently comparable to what our competitors' charges would be.

Of course we have to make some charges, to cover our costs. However, we are always completely open about them, so you won't get any unpleasant shocks.

One payment you can avoid, depending on how you use your account, is withdrawal charges. As long as your withdrawals are less than 10% of the contributions you make each year, you will not pay any charges. What's more, if you don't use your full 10% allowance in a year, it will be carried forward to the next year. Once you've had your account for five years, you can withdraw any amount that has been in your account for five years with no charge.

## KEEPING TRACK OF THE CHARGES DEDUCTED FROM YOUR ACCOUNT

1. We make an initial 'establishment' charge for each investment, to cover costs incurred in setting it up. Spread over five years, these charges work out as 1.6% each year.
2. We deduct 1% of the value of your fund each year to cover our ongoing management costs.
3. The fund managers of each fund you invest in will also make a charge. This is usually between 1% and 2.5% each year. It depends on the funds you've chosen, their managers and the type of investment. Your financial adviser will alert you to the charges before you commit to the individual funds.

A maintenance charge will be taken unless either:

- the amount of the contributions paid to the account; or
- the value of the allocated units at their bid price

are equal to or exceed US\$15,000 (€15,000/£10,000) at the transaction date.

Please refer to the relevant version of the 'at a glance' flyer for a clear overview of the MCA, including the charge details.

## WHAT THESE CHARGES COULD MEAN FOR YOU

The following table shows how much your investment would be worth after 10 years, assuming a growth rate of 7% and taking our charges into account.

YOUR INVESTMENT (US\$)	TERM (YEARS)	TOTAL INVESTMENT (US\$)	VALUE AFTER 10 YEARS (US\$)
1,000 per month	10	120,000	138,560
15,000 lump sum	10	15,000	21,165

Source: Old Mutual International as at June 2015. The example shown assumes a growth rate of 7%. It includes all Old Mutual International charges and assumes external fund management charges of 1.5% each year. The actual return may be different as the value of units and their yield may go down as well as up due to the nature of this type of investment. The figures are for illustration purposes only and are not guaranteed.



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



# THE MANAGED CAPITAL ACCOUNT COULD BE RIGHT FOR YOU IF YOU WANT TO:

- Save for growth over the medium to long term
- Use your savings to generate a regular income, now or in the future
- Be able to change the way you save, or switch investment funds, whenever you want
- Be sure your savings are easy to access\*
- Save for your retirement
- Create a fund for your children's education
- Save for a one-off special event, such as a wedding, or home moving expenses – or perhaps a trip round the world
- Ensure you can enjoy a more luxurious lifestyle in future years.

\*Withdrawals may be subject to early encashment charges.



This document was last reviewed in June 2015.  
Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs.

**i** The value of your account 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 account as a long-term commitment. If you cash in your account 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 fund is suitably based on your needs, objectives and attitude to risk. You should also familiarise yourself with any particular risks associated with the funds in your portfolio. There may be currency risks if funds are denominated in another currency, or liquidity and valuation risks for property funds, for example. The value of the assets linked to the account 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 disclosure information.

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

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

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