



**QUILTER CHEVIOT**  
INVESTMENT MANAGEMENT

**Quilter**  
International

## Executive Bond

*with Quilter Cheviot  
as the discretionary  
asset manager*



*For professional investors.*

*Quilter International's Executive Bond  
with Quilter Cheviot as the discretionary  
asset manager.*

*The private client wealth management solution.*

**Please note** that throughout this brochure, we describe Quilter Cheviot as a discretionary asset manager. Related material may use the phrase discretionary investment manager, however the two terms are interchangeable and mean the same.

Quilter International's Executive Bond with Quilter Cheviot as the discretionary asset manager is suitable for professional investors only.

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 non-retail assets) 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.



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# Quilter International and Quilter Cheviot

*When discussing your financial plans with your financial adviser, there are two key areas to consider. Firstly, the investment product or 'wrapper' you select, and secondly the underlying assets you invest in.*

## **Quilter International and Quilter Cheviot: Working together to help achieve your investment objectives**

That's why we've designed a complete investment solution to optimise these two opportunities for growth. By investing in the Executive Bond from Quilter International Isle of Man Limited (Quilter International) and by appointing our sister company, Quilter Cheviot, as a discretionary asset manager and authorised custodian, you can benefit from:

- ▶ holistic financial planning from your financial adviser, to help keep you on track to reach your overall financial goals
- ▶ the flexibility and tax advantages of the Quilter International Executive Bond and the safety of the Isle of Man jurisdiction
- ▶ tailored and experienced investment management from Quilter Cheviot, to help you achieve your investment objectives
- ▶ reduced charges: when you request us to appoint Quilter Cheviot as a discretionary asset manager on your Executive Bond, Quilter Cheviot will refund to the bond (subject to conditions) part of their management charge to match Quilter International's quarterly administration charge.



# A combined investment solution

## *Your financial adviser*

Understands your circumstances

Provides holistic financial planning

Researches financial planning solutions

Conducts due diligence on product and service providers and identifies the most suitable solution

Recommends how your assets should be managed, including whether to use professional investment management

Regularly reviews and monitors how your investments are performing

## *Quilter International European Executive Investment Bond*

Is a tax-efficient 'wrapper'

Is a portable portfolio bond that can travel with you

Allows you to transfer existing assets into your bond\*

Is available in a choice of currencies

*\* Subject to Quilter International's acceptance*

## *Quilter Cheviot*

Provides professional investment management

Creates a truly bespoke and diversified portfolio, designed to match your appetite for investment risk

Deals with the day-to-day management of the investment portfolio

# Quilter International's Executive Bond

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

## Giving you ultimate investment freedom

The Executive Bond takes advantage of offshore tax benefits and by choosing Quilter Cheviot as your discretionary asset manager, Quilter Cheviot's investment managers will create a bespoke portfolio to help meet your investment objectives and attitude to risk.

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.

## The Executive Bond with Quilter Cheviot might be suitable if you:

- ▶ are expatriate or local individual, company or trust
- ▶ are at least 18 years of age
- ▶ have at least \$375,00/£250,000/€375,000 or currency equivalent of investable assets held in cash or in transferrable assets\* to invest
- ▶ want to invest over the medium- to long-term
- ▶ expect to have access to a wide range of investment solutions, such as stocks, shares, bonds and collective investments that can be used to build a bespoke portfolio
- ▶ are happy to accept more risk than saving into a bank account
- ▶ are primarily looking for a tax-efficient and flexible solution from a strong, reputable company in a secure offshore environment
- ▶ want to have an option to pass on your wealth to future generations by using an appropriate trust or nomination
- ▶ want to appoint a discretionary asset manager\* to make investment decisions and construct a bespoke portfolio
- ▶ want to use your investment to take one-off withdrawals or to generate a regular income
- ▶ want to ensure your intended beneficiaries have the appropriate access to the appropriate value, at the appropriate time, in line with your wishes

\* Subject to our approval





**The Executive Bond with Quilter Cheviot might not be suitable 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
- ▶ wish to have full control of your investments
- ▶ do not want to have access to professional investor assets.

*\* Subject to our approval*

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



# 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.*

## **Portability & flexibility**

You can take your Executive Bond with you if you need to move from country to country, and you can amend your investment portfolio to reflect a need for more security, greater growth potential, or a different ethical slant. There are no maximum contribution limits\* 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 Quilter International's acceptance.*

## **A safe home for your investments**

Your Executive Bond is held in the Isle of Man, a secure offshore environment which also has a statutory compensation scheme for life assurance companies. This means that Executive Bond investors can benefit from the protection of the scheme, in the unlikely event that Quilter International Isle of Man becomes insolvent.

## **A choice of currencies**

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



### The tax-efficient way to invest

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 environment means you can make the best use of your own personal tax allowances and switch between funds and assets without incurring tax.

*\* Some of the dividends earned by the assets linked to your bond may be liable for 'withholding tax' in their country of origin and therefore only the net value of the dividend will apply to the value of your bond.*

*\*\* You may have to pay tax, either on the growth of the investment or when money is paid out, depending on your tax position.*

### Less paperwork

Transferring existing investments into your Executive Bond (subject to Quilter International's acceptance) could allow you to reduce the amount of paperwork you need to deal with, as your investments are held in one place.

### Placing the bond in trust

Your financial adviser may suggest that you place your Executive Bond in trust. This can help ensure your wealth is used as you intend during your lifetime.

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

Quilter International offers a comprehensive range of trusts which could be suitable for your needs. If you wish, you can complement this by using Quilter International Trust Company, a professional trustee service.

If you want to find out more about trusts and nomination, 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.

You can also visit [www.quilterinternational.com/trusts](http://www.quilterinternational.com/trusts)

### Strength and stability


Quilter International has been a premier provider of offshore investment solutions for over 20 years. Quilter International is part of Quilter, a leading provider of advice, investments and wealth management both in the UK and internationally, managing over US\$146.1 billion of investments on behalf of over 900,000 customers\*.

### Award-winning

Quilter International has been recognised by experts in the investment industry. We pride ourselves on our customer service, support to financial advisers and innovation.

For information about Quilter International's awards, please visit [www.quilterinternational.com](http://www.quilterinternational.com)

*\* As at 30 September 2019. Exchange rate sourced from the Bank of England. 1 GBP = 1.2304 USD as at 30 September 2019.*



# Why choose Quilter Cheviot as your discretionary asset manager?

*You can nominate Quilter Cheviot to become the discretionary asset manager on your Executive Bond. As your discretionary asset manager, Quilter Cheviot will make investment decisions on your behalf in line with pre-agreed boundaries. This gives you the reassurance that your bond is being proactively managed and holds the most appropriate assets for your needs.*

Part of Quilter/Quilter plc, our award-winning sister company, Quilter Cheviot, is one of the UK's largest discretionary asset management firms providing individually tailored portfolios for those investing a minimum of US\$375,000/€375,000/£250,000 (or currency equivalent).

If you request that Quilter International appoints Quilter Cheviot as the discretionary asset manager on your Executive Bond, you will receive the attention of a dedicated investment manager. Your investment manager will:

- ▶ take time to understand your personal requirements, including your attitude to investment risk
- ▶ construct a suitable portfolio in line with your needs
- ▶ be accountable for the performance and ongoing suitability of your portfolio, taking responsibility for all investment decisions
- ▶ work closely with your financial adviser, recognising that your portfolio may form part of your overall financial planning strategy.

## **...and as custodian?**

The structure of the bond means that you need a 'custodian' to hold, on Quilter International's behalf, the assets that the discretionary asset manager choose to link to your bond.

Should Quilter Cheviot be appointed as the discretionary asset manager, they will also be appointed as custodian on the bond.

## **A truly bespoke investment**

Quilter Cheviot's investment managers create genuinely bespoke portfolios that can help meet your investment objectives and attitude to risk. Offering exposure to a broad range of asset classes and global investments, they'll ensure your portfolio is appropriately diversified according to your requirements.

The value of investments and the income from them can go down as well as up. You may not get back as much as you invest.

*Quilter Cheviot's investment managers create genuinely bespoke portfolios that can help meet your investment objectives and attitude to risk.*

#### **Reduced transaction costs**

With over US\$29.5 billion\* in assets under management, Quilter Cheviot is able to use its strength to ensure that investors can make savings on the cost of funds that are bought within the bond.

*\* As at 30 September 2019.*

#### **One of the UK's largest discretionary investment management firms**

With a heritage that can be traced back to 1771, Quilter Cheviot is a market leading specialist in investment management with their managers averaging 19 years' investment experience. Quilter Cheviot works with over 40,000 private clients, trustees, charities, pension funds, and their professional advisers.

#### **Research capability**

Quilter Cheviot's dedicated in-house research team seeks out the best investment opportunities for you from across the globe. You can be confident that all monitored investments held in your portfolios are fully researched and have been subject to extensive due diligence.

#### **Regular reports and online access**

Quilter Cheviot provides clear, regular and comprehensive reports to keep you and your financial adviser fully informed about the structure of your portfolio.

#### **Award-winning**

Quilter Cheviot has won numerous awards in recent years for their investment management and client service.

For information about Quilter Cheviot's awards, please visit [quiltercheviot.com](http://quiltercheviot.com)

#### *Quilter Cheviot*

- ▶ Established in 1771
- ▶ Investment managers averaging 19 years' investment experience
- ▶ 40,000 private clients
- ▶ Over £24 billion\* in assets

*\* As at 30 September 2019.*

# Easy access to your capital

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

All withdrawals are free of charge as long as you leave in a surrender value\* of US\$15,000/€15,000/£10,000 (or currency equivalent), or at least 15% of your total investment, whichever is higher. Please note that if the value of your bond falls below this amount, Quilter International has the right to surrender it. If you take a withdrawal that means you go below the minimum amount, an early withdrawal charge may apply as set out in your charges schedule. Depending on the assets chosen, there may also be a charge when you make an early withdrawal, for example if you were to withdraw early from a fixed-term deposit.

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

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

Taking money out of your bond, especially in the early years, can dramatically reduce the potential for your investments to perform – so we strongly recommend you 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.

## One-off withdrawals

As long as you leave the minimum amount in your bond (see adjacent paragraph), you can normally withdraw any amount you want. Please refer to the charges section of the Terms and Conditions for further details.

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.





# Fees and charges



## The Executive Bond

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 your charges schedule. This will include the amount of any quarterly administration charge. The charges will cover the costs Quilter International has incurred in setting up and then managing your bond.

The assets selected, for example a fund, may also have a charge and your financial adviser can provide further details.

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 15% of your total investment, or US\$15,000/€15,000/£10,000 (or another currency equivalent).

We strongly recommend that 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.

## Quilter Cheviot's charges

Quilter Cheviot has a single management charge that is based on the value of your investment portfolio. This all-in annual management charge is Quilter Cheviot's fee for managing your investment portfolio. This charge includes transaction costs, custody fees, dividend/coupon collection, corporate actions and reporting.

When Quilter Cheviot is appointed as a discretionary asset manager, they are also appointed as the custodian on your Executive Bond. This allows them to provide a refund of part of their Annual Management Charge (AMC), matching the quarterly administration charge of the bond. This is a clear cost benefit of having a bond from Quilter International with our sister company's investment management services.

If another discretionary asset manager is appointed, or if assets are no longer to be managed by a discretionary asset manager, this refund will no longer apply and the full quarterly administration charge will be payable.

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

*Your financial adviser is best placed to understand your needs and objectives.*

They can recommend whether the Executive Bond, with Quilter Cheviot appointed as discretionary asset manager, is suitable as part of your wider financial plans. They'll also work with all parties to help you benefit from this powerful investment solution. Speak to your financial adviser about taking the next steps towards reaching your financial goals.

Making an investment is an important decision, so Quilter International does not sell products directly to customers, but through financial advisers. With your appointed financial adviser you can decide whether to take out an Quilter International product with Quilter Cheviot as discretionary asset manager.

Once you have chosen a financial adviser you will need to provide Quilter International with confirmation that they can act on your behalf. Once we have received this we will consider them to be acting as your intermediary. Unless you inform us otherwise, commission will be payable to your financial adviser from Quilter International. Details of these payments will be available from your financial adviser.



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

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

*The value of your bond can rise or fall over time and there is no guarantee that your premium(s) 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 Quilter International 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 chosen 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 Conditions and where appropriate any additional product information. Your financial adviser will be able to provide you with a copy of the Policy Terms and Conditions and product literature.*

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***[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. Registered and Head Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Phone: +44 (0)1624 655 555. Fax: +44 (0)1624 611 715. Licensed by the Isle of Man Financial Services Authority.*

*Quilter International is registered in the Isle of Man as a business name of Quilter International Isle of Man Limited.*

*Quilter International Middle East Limited, registered in the Dubai International Financial Centre under number 0962 Office 7 and 8, Level 2 Gate Village 7, Dubai International Financial Centre (DIFC), PO Box 482062, Dubai, UAE.*

*Quilter International Middle East Limited is authorised and regulated by the Dubai Financial Services Authority. Quilter International Middle East Limited supports licensed intermediaries in the distribution of Old Mutual International Isle of Man Limited products. Quilter International Middle East Limited acts as an insurance intermediary for Quilter International Isle of Man Limited.*

*Quilter Cheviot Limited: is a private limited company, registered in England with number 01923571, whose registered office is at One Kingsway, London, WC2B 6AN, England; is a member of the London Stock Exchange; is authorised and regulated by the UK Financial Conduct Authority; is regulated by the Dubai Financial Services Authority as a Representative Office (and its business name in Dubai is Quilter Cheviot Limited (DIFC Representative Office)); has established a branch in Jersey, and is regulated under the Financial Services (Jersey) Law 1998 by the Jersey Financial Services Commission for the conduct of investment business in Jersey, and by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to carry on investment business in the Bailiwick of Guernsey; and has established a branch in Dublin, Ireland with number 904906, and is regulated by the Central Bank of Ireland for conduct of business rules. Accordingly, in some respects the regulatory system that applies will be different from that of the United Kingdom.*