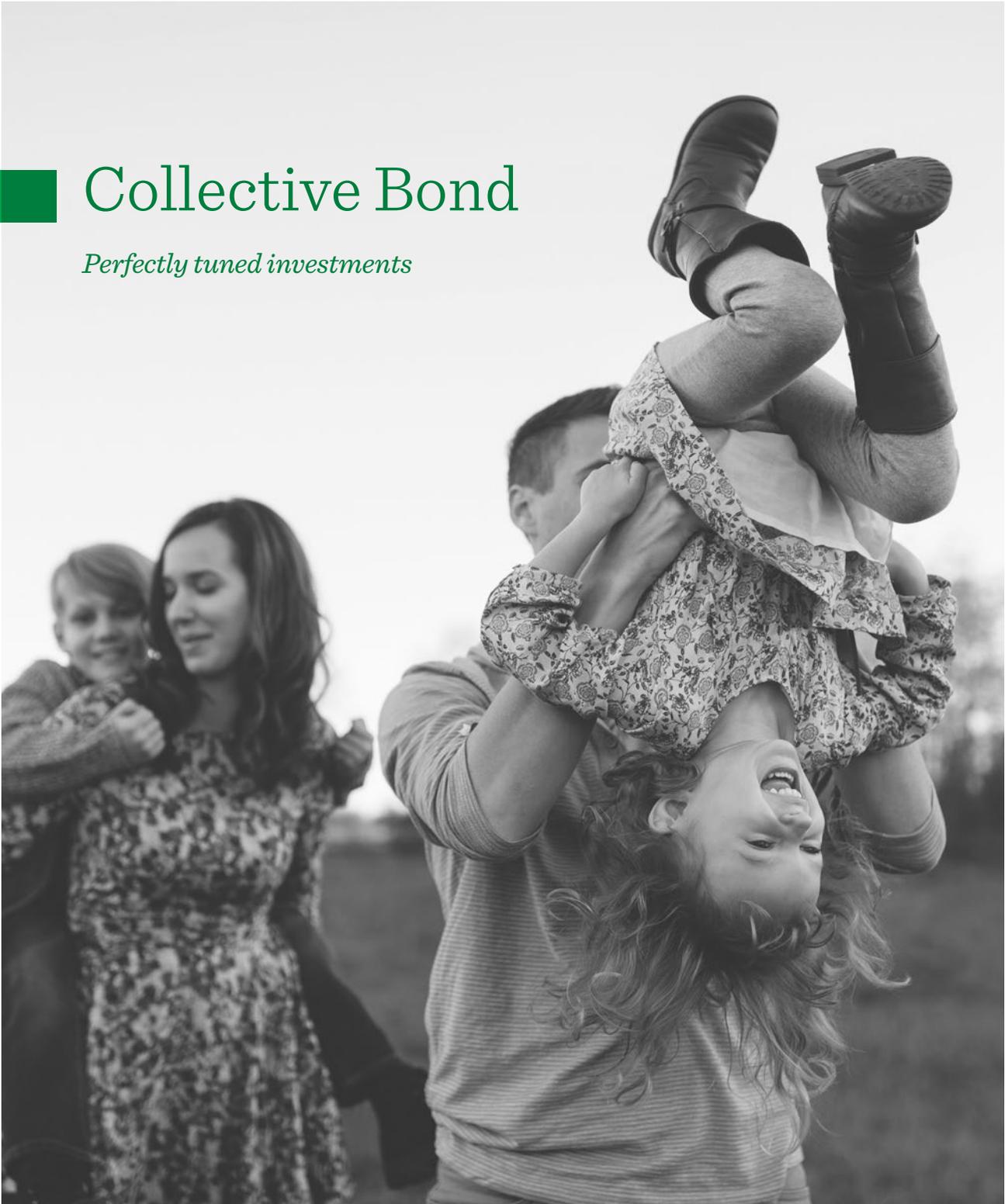


Quilter
International

Collective Bond

Perfectly tuned investments



Not for use in Hong Kong and Singapore.



Contents

The Collective Bond offers intelligently composed solutions for the discerning investor (for non-UK residents)

<i>The intelligent investment solution</i>	4
<i>The investment that changes with your life</i>	6
<i>Neatly packaged to save you time, hassle and money</i>	8
<i>Easy access to your capital</i>	9
<i>The tax-efficient way to invest</i>	10
<i>Fees, charges and your right to cancel</i>	11
<i>Talk to your financial adviser about the Collective Bond</i>	12
<i>Stay in touch with your investments with Wealth Interactive</i>	14



The intelligent investment solution

The Collective Bond from Quilter International Isle of Man Limited (part of Quilter International) is a medium-to long-term (meaning five to ten years or longer) investment that can adapt as your life unfolds. You can switch funds, make payments, take withdrawals – whatever suits your evolving lifestyle.

This intelligently composed portfolio bond takes maximum advantage of offshore tax benefits. It gives you the freedom to build on your wealth by investing in a wide range of funds 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 Collective Bond are available depending on your investment needs and your country of residence. Please see the relevant 'At a glance' document 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.

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

It enables you to:

- ▶ open a bond with an investment of £25,000/US\$37,500/€37 500 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
- ▶ choose how you want to invest your money, with your financial adviser's help
- ▶ access your capital, including an option to take regular withdrawals (see **Easy access to your capital** on page 9)
- ▶ switch funds to update your portfolio and keep in step with changes in your life
- ▶ transfer most collective investment funds or unit trusts which you hold already into your bond*
- ▶ appoint an independent fund adviser or a discretionary manager and benefit from their guidance and expertise

- ▶ reduce paperwork and monitor your investment easily by keeping all the funds in a single wrapper monitor performance and carry out transactions online through Wealth Interactive, our interactive online service (see page 14).

**Subject to our acceptance.*

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

This brochure explains how a Collective 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.



The Collective 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.

A premier provider of offshore investment portfolios for over 30 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.

Quilter International is part of Quilter plc, a leading provider of advice, investments and wealth management both in the UK and selected international markets, managing £118.7 billion of investments on behalf of over 900,000 customers (as at 30 September 2019).

As part of Quilter, our aim is to help create prosperity for the generations of today and tomorrow.



The investment that changes with your life

Your investment needs will change regularly as your life evolves. That's why the Collective 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 potential for growth, or a different ethical slant.

You can invest as much as you wish in your bond and even move existing funds and assets* across if you already have money in collective investment funds or unit trusts.

**Subject to our acceptance.*

A choice of funds

The Collective Bond allows you or your financial adviser to build a portfolio of funds to match your medium- to long-term objectives and your current attitude to risk. You then have freedom to change your fund choice when appropriate.

You can choose from an extensive selection of collective funds, including:

- ▶ any external collective investment funds and unit trusts agreed by us
- ▶ bank deposits

You can invest in as many different funds as you wish, provided you keep a minimum of £1,250/US\$1,875/€1,875 (or other currency equivalent) in each holding.

Support and service from quilter international isle of man

As soon as you invest in a Collective 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 11).

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 through the process of choosing funds 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 make decisions on your behalf in line with pre-agreed boundaries. This role is sometimes known as a 'discretionary manager'. 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 or a discretionary manager, your financial adviser will be able to recommend one for you, or may even be able to offer this service themselves.



...and your choice of custodian

The structure of the bond means that a 'custodian' is used to hold, on Quilter International Isle of Man's behalf, the assets that you choose to link to your bond. You may want an alternative custodian to be appointed, who also has power to provide dealing investment services on our 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.

A selection of currencies

When you open your bond, you choose a currency for it, which can be any one of a number of major currencies listed in your application form. However, that does not mean you have to make your payments or withdrawals in that currency, or that you are limited to funds based on that currency.

For example, you could choose US dollars as your policy currency, but make your payments in euros and invest in funds 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: Olivia

'I trust my financial adviser to make the right choices for me.'

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

I've also appointed 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.

Neatly packaged to save you time, hassle and money

Keeping track of a wide-ranging portfolio can be time-consuming and frustrating. However, one of the joys of the Collective Bond is that you can manage and monitor all the funds within a single wrapper.

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 co-ordinate all the deals and switches 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 fund. This may even save you money, as it involves less work for your accountant and financial adviser.

Simple switching

It's easy to move between funds whenever you want. All deals are co-ordinated by Quilter International Isle of Man and you or your financial adviser can utilise our online service Wealth Interactive to place deals online directly with Quilter International Isle of Man.

Please note that there may be dealing charges, one for the sale and one for each purchase. Dealing charges do not apply during the first calendar quarter that the bond is live, to allow you to set up your portfolio.

If you already hold collective investment funds or unit trusts, you can transfer them into your Collective Bond account, to reduce paperwork even further. The minimum transfer amount is £50,000 and each holding must be £5,000 or more. Please note that all funds need to be agreed by Quilter International Isle of Man beforehand, and that the transfer may lead to a capital gains tax liability, as it is deemed to be a sale to Quilter International Isle of Man. Please speak to your financial adviser to find out more about potential tax implications.

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 fund 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.





Easy access to your capital

The Collective Bond gives you flexible access to your capital – subject to a minimum withdrawal amount of £500/US\$750/€750 (or other currency equivalent), and provided that the amount in your bond can sustain both the withdrawals and the charges involved.



All withdrawals will be free of charge as long as the residual surrender value* of your bond is at least £10,000/US\$15,000/€15 000 (or currency equivalent), or 15% of your total investment, whichever is higher. If the value of your bond falls below this amount, we have the right to surrender it.

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

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 at any stage. However, please remember that the Collective 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.

You may take one-off regular 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). Also, depending on the assets you have invested in, there may be early withdrawal charges. Please refer to the charges section of the Policy Terms for further details.

Taking money out of your bond, especially in the early years, can dramatically reduce the potential for the funds 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

Why we have chosen the Isle of Man as our base

The Isle of Man is a tax-efficient environment and Quilter International Isle of Man Limited 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 in 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; furthermore, it will enable you to postpone and minimise tax payments by timing your withdrawals appropriately*.

**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.*

A safe home for your investment

The Collective 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. You will benefit from the Isle of Man's policyholder protection scheme, which covers policies issued by an authorised life assurance company based on the island. So in the unlikely event that Quilter International Isle of Man becomes insolvent, you will be able to claim compensation of up to 90% of the policy value, less any contractual charges.

Moving to the UK

In the UK, a Collective Bond is regarded as a portfolio bond. If you are planning to move to the UK, you will become UK tax resident and taxation of the Collective Bond will be subject to possible 'chargeable events'. These events include: full surrender of the policy, assignments for consideration, and regular withdrawals in excess of the 5% tax deferred allowance. Where we sell redemption contracts, it includes maturity of the Collective Redemption Bond and where we sell life assurance contracts, the death of the last life assured of the Collective Investment Bond.

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

Estate planning

Your financial adviser may suggest that you place your Collective Bond in trust. This can help 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 Isle of Man offers a comprehensive range of standard trusts for estate planning and asset protection which could be suitable for your needs. If you wish, you can complement this with our professional trust service provided by Quilter International Trust Company.

Quilter International Isle of Man also offers a beneficiary nomination which allows you to nominate beneficiaries and to transfer ownership of the policy on your death.

If you want to find out more about our 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.

Fees, charges and your right to cancel

The charges for setting up and maintaining your Collective Bond will depend on the kind of funds 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 that Quilter International Isle of Man 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. 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 Isle of Man 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 £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 switches involve two transactions: out of the current fund and into the new one – so the charge would be £34. You may also need to pay other third-party charges such as bank charges, which will be included in the net amount being switched.

There may also be other charges to pay, such as telegraphic transfer charges.

The Collective 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 on-going 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 asset provider in respect of the assets held, and which we 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 Collective 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 Collective 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 Collective 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 Collective 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 funds and fund managers, and provide you with further support material, including the full Policy Terms.



The Collective Bond could 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 \$37,500/£25,000/€37 500 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 protect and 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
- ▶ want to invest in collective investment schemes such as funds and are happy to accept more risk than saving into a bank account
- ▶ want to have an option for a discretionary asset manager to be appointed* to make investment decisions and construct a bespoke portfolio.

**Subject to our approval*

The Collective Bond might not be suitable 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 or stocks and shares
- ▶ do not want to have access to professional investor funds.

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.

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 an Quilter International

Isle of Man product and manage any investments you make. Quilter International Isle of Man 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, which once received, we will then deal with them 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.



Stay in touch with your investments with Wealth Interactive

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

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 a Collective 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 financial 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 financial 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 financial 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 Collective 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. For more information on Wealth Interactive, just visit our website:
www.quilterinternational.com/wealthinteractive

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 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 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 disclosure information.

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.

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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