

CLIENT GUIDE

The investment you control.



The Offshore Open Bond is a flexible investment that can readily adapt to your changing personal circumstances.

One that allows you to select and control a portfolio of investments. And one that enables you to take full advantage of a range of tax concessions without compromising on choice. This document should be read with our Key Features brochure.



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INNOVATION YOU CAN TRUST

OFFSHORE
OPEN
BOND





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When it comes to your finances, you're used to being in charge. And you want it to remain that way.

So trust London & Colonial to devise an innovative solution that allows you to retain control of them.

The Offshore Open Bond is a flexible investment that can readily adapt to your changing personal circumstances. One that allows you to select and control a portfolio of investments. And one that enables you to take full advantage of a range of tax concessions without compromising on choice.

What's more, you can be safe in the knowledge that you're dealing with a highly respected organisation with a proven track record in administering self-invested products - and one that will provide a dedicated person to handle your enquiries rather than an anonymous call centre.

Six key advantages of the Offshore Open Bond

1 Tax efficient investments

Unlike Onshore Bonds, there is no immediate tax* to pay on any investment income or capital gains until you encash the Bond. This allows your investment to grow virtually tax-free.

2 Tax-deferred income

You can withdraw up to 5% of your original investment per year with no immediate tax charge.

3 Investment flexibility

Enjoy the freedom to control and select from a wide range of funds and investments.

4 Fund charges

We do not receive any fees or commissions from the investments that you select other than our declared product charges.

5 No self-assessment return

You will not need to declare on your self-assessment return any income or gains arising from the investments while they remain within the Bond.

6 Inheritance tax planning

The Bond can be used with our trusts to help you mitigate any inheritance tax liability that you may have.

** Please note that some countries such as the UK apply a non-recoverable withholding tax on dividends issued by companies based in that country.*



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Is it the right choice for me?

The Offshore Open Bond is the ideal investment if:

- You have over £100,000 to invest.
- You want to receive a regular “income” up to the value of 5% of your original investment without incurring any immediate tax charge.
- You want the freedom to choose investments other than those managed by a traditional insurer.
- You or your Financial Adviser are experienced in investment strategy and you wish to direct the management of your Bond.
- You are keen to avoid the age allowance trap by having “income” paid from the Bond.
- You are currently a higher rate tax payer and anticipate being a basic rate taxpayer at the time of encashment.
- You expect to live abroad by the time you encash the Bond.
- You assign the Bond to a lower tax paying individual before the Bond is encashed.
- You would like to make an IHT efficient gift to someone else.
- You are a Trustee and would like to use the Bond in combination with an estate planning scheme.
- You would like your investment to grow more rapidly in a tax free environment.
- You have already used your annual CGT or pension scheme allowance.

Please note that this is not an exhaustive list, and that you should seek financial advice as to whether this Bond would be suitable to your personal circumstances.



Can I transfer any existing investments into the Bond?

Yes. We can re-register assets to your Bond without you needing to sell them provided that the investments meet the permitted investments criteria. Please see our Investment booklet for further details.

Where can I invest?

You can select from a wide range of investments. Please see our Investment booklet or visit our website www.londoncolonial.com and select our products page.

Who makes the investment decisions?

You can either control the investment decisions yourself or nominate an Investment Manager to do this on your behalf.

What are the charges?

We believe our charges are competitive, especially when you consider the flexibility of the features available to you. There is no additional commission paid to us from any Investment Manager.

The product charges do not include any payment to your Financial Adviser. Any fee payable to your Financial Adviser must be agreed with you and can either be paid separately or, subject to your agreement, deducted from your Bond. Any fee payable from your Bond will be shown in your illustration.

Full details of our charges are contained in our "Bond charges leaflet". These charges cover the cost of setting up and administering your Bond.



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Why is it offshore?

Being based outside the UK means that no UK income or capital gains tax is payable on the investments while they are retained within the Bond (please see our Tax guide leaflet). This means that your Bond will grow in a tax-efficient environment.

Why Gibraltar?

Gibraltar is one of the most efficiently regulated financial centres in the world and is widely regarded in Europe and the USA as a benchmark jurisdiction in terms of its supervisory infrastructure. It has implemented all EU directives relating to the insurance business and its regulatory and supervisory infrastructure matches all relevant UK standards.

The regulation of Gibraltar's financial services has the full endorsement of the International Monetary Fund (IMF) following a rigorous examination by its commissioned team of independent experts. You can access the latest IMF report from the Gibraltar Financial Services Commission website www.fsc.gi/imf/imf.htm. Gibraltar is only the third jurisdiction to volunteer for such internationally recognised regulation.

London & Colonial is licensed by the Financial Services Commission under the Insurance Companies Ordinance 1987.



Why London & Colonial?

The same team that developed the innovative Open Annuity has once again pushed the boundaries to bring you the self-invested Offshore Open Bond.

At London & Colonial, we are not Investment Managers or Financial Advisers; we simply provide innovative products that match the demands of the most discerning investor. Having specialised in self-invested products since 1988, we constantly strive to offer our clients as much freedom, flexibility and control as possible.

However, our innovative products would be nothing without the high levels of support and service provided by our client services team. In fact, you will have a dedicated member of staff to deal with any enquiries you may have throughout the lifetime of your investment. If your needs change, we believe that maintaining the personal touch is vital to ensure you maximise the potential benefits of your investment.

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Do you give advice?

London & Colonial does not advise on whether an Offshore Open Bond would be suitable for you, or on the merits of any particular investment. All Bonds must be introduced to us by an authorised Financial Adviser.

What if I have more questions?

If you have any questions on the suitability of this product, please contact your Financial Adviser in the first instance. However, do not hesitate to contact us if you require any further information about London & Colonial, Gibraltar or its financial regulations.

How do I contact you?

0870 7566696

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Haywards Heath,
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The information in this guide is based on our understanding of current legislation. Legislation and taxation are liable to change in the future.




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Please remember the Offshore Open Bond is not necessarily the right solution for everyone, so it is important you seek financial advice as to whether this Bond is suitable to your personal circumstances.



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For more information about any London & Colonial product please contact:

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