



ST. JAMES'S PLACE  
WEALTH MANAGEMENT



Introducing the  
ST. JAMES'S PLACE  
INTERNATIONAL INVESTMENT BOND

PARTNERS IN MANAGING YOUR WEALTH

## The St. James's Place Partnership...

The St. James's Place Partnership is an elite group, made up of many of the most experienced, able and highly-regarded professionals working in financial services today.

The Partners – so called because of their common purpose and shared values – work from a network of offices across the UK. On average, they have 17 years' experience in financial services: only a small proportion of financial advisers can meet our selection criteria.

## ... part of the St. James's Place Wealth Management Group

The St. James's Place Wealth Management Group is a provider of a wide and growing range of financial services of outstanding quality, available exclusively through the Partnership. The St. James's Place Wealth Management Group has grown strongly and consistently, and now has funds under management amounting to in excess of £23 billion.

The St. James's Place Wealth Management Group is owned by St. James's Place plc, a public company that was established by Mike Wilson, Sir Mark Weinberg and Lord Rothschild and is now placed within the FTSE 250.

## Why should you consider pooled investments?

The problem with putting your money into banks and building societies is that although your original capital is secure, your income level is not guaranteed, and there is no prospect of capital growth. In addition, over the longer term, the real value of your capital, measured by what you can buy with it, tends to go down as inflation pushes up the cost of living.

If you want to counteract these risks you should consider longer term investments, such as stocks and shares.

For many private investors, the task of selecting individual shares and achieving a broadly based portfolio can be daunting, time consuming and potentially expensive.

With pooled funds, your money is collectively invested by professional fund managers with other investors' funds. This allows the managers to spread the risk across a wider range of shares and markets than would otherwise be possible.

The St. James's Place International Investment Bond provides you with access to a comprehensive range of expertly managed pooled funds and the expertise of the St. James's Place Investment Committee whose role is to select and monitor a range of professional Investment Managers for you.



# What your International Investment Bond can do for you

The St. James's Place International Investment Bond provides you with a single, long term investment which can:

- Maximise growth prospects
- Spread risk
- Offer a range of carefully selected and monitored Investment Managers
- Give you the option of a regular and predictable 'income'
- Reduce paperwork to a minimum
- Allow you to switch between funds easily
- Reduce your personal liability to Income and Capital Gains Taxes

## **Investment choices**

Of course, a fund can only grow as quickly as the skill of the manager allows. The simple fact is that many people will not achieve sufficient growth on their investment because the performance of their chosen Investment Manager is inadequate.

This makes it very important to ensure that you have invested with an Investment Manager who can provide good returns and, more importantly, one who has the potential to do well in the future.

The St. James's Place Approach to Investment Management has been developed with this in mind. The St. James's Place International Investment Bond is a unit-linked investment which enables you to select from a distinctive choice of funds. The funds are actively managed by leading fund management groups, each of which has an exceptional record for long-term investment performance.\*

*\*Please be aware that past performance is not indicative of future performance.*

## Your choice of Investment Funds

St. James's Place offers you access to a range of Managed and Specialist Funds, each managed by a carefully selected, independent fund manager. Our distinctive selection of leading fund management groups gives you significant flexibility and diversification to reduce your investment risk. You can invest in any one, or a combination of funds, subject to a maximum of ten funds per Bond.

### **Managed funds**

The Managed funds offered by St. James's Place each has a distinctive investment strategy. They are managed by carefully selected independent firms of investment professionals, each of which has been chosen because of their different and distinctive approach to investment management.

We believe that by choosing to invest across a number of the St. James's Place Managed Funds, investors have a real opportunity to diversify their investment portfolio.

### **Specialist funds**

In addition to the Managed Funds, we offer a number of Specialist Funds which have a more focused investment objective. For example, these funds may invest in a particular geographical area such as the Far East, North America, Europe, or in a particular type of investment such as Corporate Bonds, Gilts or Cash.

Details of all our funds and Investment Managers can be found in 'The St. James's Place Range of Investment Funds' factsheet, and further information is available in the 'Investment Committee & Investment Managers' brochure, both of which are available on request from your St. James's Place Partner.

## How your International Investment Bond can provide an ‘income’

If you require an ‘income’, your St. James’s Place International Investment Bond can provide regular payments – monthly, quarterly, half yearly, or termly to meet costs such as school fees – as you choose.

You may withdraw up to 5% per year of your original investment for up to 20 years free of any immediate liability to tax. You are therefore assured of the benefit of payments which are predictable as well as regular.

This can remove the uncertainty of trying to predict either future interest rates, as with building society investments, or future dividend payments, as with stocks and shares.

If you do not use your 5% allowance in any one year, you may carry it forward to future years.

If the income and capital growth of your original investment, after tax and charges, are more than the amount you withdraw each year, your Bond will grow in value even if you make regular withdrawals. In any year when income and capital growth are less than the amount you withdraw, the value of your Bond will fall.



## How your International Investment Bond is set up

**T**he St. James's Place International Investment Bond is a unit-linked Bond. A unit linked investment fund is divided into a number of units, the price of which reflects the value of the underlying investments of the fund.

Your investment is allocated to the fund or funds which you have chosen, in the proportions you have selected. 100% of your investment is allocated to units, so all of the money is invested on your behalf, without the deduction of an initial charge.

Although you are free to partially or fully cash in your Bond at any time, the charging structure has been designed so that you get the best value for money if you hold it for at least five years. Details of the early withdrawal charge that will apply if you cash in before then (or take regular withdrawals exceeding 10% per year of your original investment) are available upon request.

### **Clusters for added flexibility**

At the outset you may choose to have your Bond structured as a series of individual policies. These individual policies are called clusters and you may choose up to twenty clusters provided each has a minimum initial value of £5,000.

This facility gives you greater flexibility to withdraw part of the investment from time to time without necessarily incurring a liability to Income Tax.



## Investors for whom offshore Investment Bonds are particularly appropriate

### **Minors**

Where a parent has provided capital to a minor, any income which arises will normally be taxed as the parent's (subject to an exemption where the income is less than £100 per annum for each parent and each child). It may therefore be preferable to have the capital invested in an International Investment Bond where all income and capital is rolled up and therefore no income is produced for tax purposes. Furthermore, when the minor reaches majority, the bond can be transferred to them without producing a tax liability on the parent and all future gains will then be taxed on the child.

### **Individuals who are likely to see a fall in their marginal tax rate**

There will be individuals who (perhaps in anticipation of retirement or becoming non-resident) can expect their marginal rate of tax to fall, or even disappear, in the future. For such individuals the ability to obtain gross roll-up while paying a higher rate of tax, then taking income or capital when they are eligible for a lower rate or no tax, should result in an overall tax saving. Similar attractions may also occur where an individual is able to control their marginal tax rate, either because they are able to control the level of income they receive or are able to invest in such a way as to obtain significant income tax deductions.

### **Investors entitled to age related allowance**

Such investors may find International Investment Bonds attractive as they can provide 'income' without reducing age related allowances.

### **Investors planning to reside outside of the UK at a later date**

Provided that a chargeable event does not occur, your Bond will not be subject to UK tax. This provides a valuable planning opportunity for those who intend to reside outside of the UK at a later date. An investor may invest into an International Investment Bond whilst they are UK resident and cash in their Bond at a later date when they are no longer subject to UK tax.



## How does taxation affect the Bond?

The taxation of the Bond depends upon your country of residence and your personal circumstances. If you are resident in the UK for tax purposes, you may have a personal Income Tax liability on any chargeable gains arising under the Bond. Bonds are normally exempt from Capital Gains Tax.

A chargeable gain may arise after a 'chargeable event', which is any of the following circumstances:

- Death of the life or lives assured, where this gives rise to benefits under the bond
- Cashing in the bond, in part or in full;
- Assignment for money or money's worth;
- Addition removal of a life or lives assured.

You can cash in up to 5% of the original amount of each investment in the Bond, every plan year, for 20 years, without any immediate Income Tax liability. This 5% allowance is cumulative, in that any unused allowance for a particular plan year can be carried forward to a future year. This means, for example, that after 20 years has elapsed for each investment, up to 100% of the original investment can be cashed in without incurring an immediate liability to Income Tax.

Where the amount of the Bond cashed in (or certain part assignments) exceeds the 5% allowance in any individual plan year, the excess is a chargeable gain, which may give rise to an Income Tax liability, based on your marginal rate of tax.

It may be possible to use the Bond to limit any Inheritance Tax liability by using a suitable trust. Further details on the taxation of International Investment Bonds can be obtained from our '*Tax Guide for UK Investors*', a copy of which is available on request, or by contacting your St. James's Place Partner.



## Our guarantee

The St. James's Place Wealth Management Group guarantees the advice given by its representatives when recommending any of the products and services provided by companies in the group.





ST. JAMES'S PLACE  
WEALTH MANAGEMENT

St. James's Place International plc is authorised and regulated by the Irish Financial Services Regulatory Authority.  
St. James's Place International plc: Registered in Ireland Number 185345. Registered Office: Fleming Court, Flemings Place, Dublin 4, Ireland.