

Offshore Savings Account

Draft paragraphs for a Suitability Report

Important note to financial advisers:

These sample paragraphs are for your information and consideration only. It is your responsibility to make sure that any correspondence sent to clients meets the requirements of your regulatory authority and that any recommendations made are appropriate for your client. No liability is accepted by Canada Life International Limited in connection with the use of any of these suggestions.



Introduction

I/We have explained and provided you with copies of my initial disclosure document [and Terms of Business] which we discussed and both signed.

Following our latest meeting [on date], I/we recommend that you invest through the Canada Life International Limited (CLI) Offshore Savings Account. The Offshore Savings Account (OSA) is an international regular premium investment linked life assurance product where the premiums can be paid either monthly or yearly. Additional lump sum investments can be added at any time.

The purpose of the OSA is to provide a tax efficient vehicle through which you can build up a capital sum and obtain capital growth over the medium to long term.

I/We discussed the other options open to you, including collective investments, and the OSA offers the best mix of tax efficiency and flexibility to match your personal circumstances, which may change in the future.

I/We believe it is suitable for you, in light of:

- your personal and financial circumstances;
- your needs and priorities, as identified through our fact finding process; and
- your attitude to risk both in general terms and to the specific area of need & recommendation.

The report indicates that you wish to pay regular **monthly/yearly** premiums over the medium to long term, to provide the following:

- the potential for medium to long term capital growth;
- deferral of income tax liabilities;
- a choice of investment funds from the CLI Core fund range;
- a choice of investment managers for those funds;
- unlimited free fund switching;
- ability to withdraw capital sums on demand; and
- efficient administration and minimum paperwork.

Trust registration

If your account is to be issued in trust, the Trustees have an obligation to register the trusts with the UK Trust Registration Service (TRS) (within 90 days of each trust's creation). Full details of how to register a trust can be found on the following dedicated website:
UK HMRC TRS website: www.gov.uk/guidance/register-a-trust-as-a-trustee

A step by step guide on how to register a trust can be found on CLI's dedicated TRS hub at www.canadalife.co.uk/technicalsupport/registeringyour-trust/

Professional Trustee Service

CLI offer an optional Professional Trustee Service, where you can choose to appoint a corporate trustee to take over the responsibilities of the trust, which includes the registration of the trust.

Fund choice and selection

When making an investment, having a choice which covers the wide range of asset classes and fund types available in the market today is essential.

The OSA invests in CLI's Core investment range, giving you access to over 150 leading investment funds, from some of the world's best investment groups and boutiques. It provides you with choice across all investment types:

- funds investing in a single asset class, such as cash, fixed interest, property and equities
- funds investing in a mixture of some or many asset types
- specialist managers, multi-managers and fund-of-funds
- funds investing into a single geographic region and funds spanning the whole globe
- funds denominated in Sterling, US dollar and Euro

Whatever your current or future investment needs, CLI's carefully selected range of funds is designed to offer the solution you seek.

Full details of the charges appropriate to the funds chosen are shown on your personal illustration.

Past performance is not a guide for the future and the value of units can fall as well as rise. Currency fluctuations can also affect performance.

Timescale

OSA is issued as ten separate but identical whole of life assurance policies which will remain in force until the last policy is surrendered or until the death of the last life assured to die.

You decide how long you want to invest for (there is no fixed term), although OSA is designed to be held for a minimum of five years or longer, as this allows your chosen funds time to achieve their potential.

Tax advantages

CLI pays no corporate taxes in the Isle of Man on the capital growth or income which accrue to any of the funds linked to your Account. By contrast, UK life assurance funds must pay tax at a rate of 20% on both income and gains.

If you make any chargeable gains from your investment, you will have an income tax liability at your highest rate. You may pay higher rate tax if it is applicable to your personal circumstances.

A chargeable gain can arise if the withdrawals from the OSA exceed the cumulative 5% tax deferred allowance, on the death of the last life assured or if the OSA, or any individual policies that make up the OSA, are surrendered.

This information regarding taxation is based on our understanding of current legislation, which may be altered and depends on the individual financial circumstances of the investor.

Withdrawals

Your priority is capital growth, but once you have paid at least **three yearly premiums / 36 monthly premiums** you are able to take withdrawals from the OSA provided that at least £1,000 is left in the Account.

Charges

As discussed with your **financial adviser / me**, the charge for setting-up your OSA is taken by CLI from the OSA over the first three years or for three years following any increase in regular premiums. Please note that if you stop paying premiums within three years of the start of your policy, or within three years of any premium increase, CLI will continue to deduct the establishment charge, until three years has elapsed. The OSA offers a full 100% allocation rate.

Risk warnings

The OSA is intended as a medium to long term investment of at least five years.

It is important to note that if the investment growth is less than the amount of any withdrawals being taken from the OSA, capital will be used in making these payments which will reduce the value of your OSA.

Please be aware that if you cancel your OSA within the first 30 days, you may get back less than you paid in. Further information about your right to change your mind can be found in the Offshore Savings Account Key Features document.

Why Canada Life International Limited

CLI was established in 1987 and is based in the Isle of Man, a jurisdiction recognised for its stable government, strong regulatory controls and policyholder protection measures. CLI continues to receive strong ratings from specialist agencies in relation to financial strength, unit-linked business and commitment to service.

Having been established for over 30 years, Canada Life International remains one of the leading international providers. Our combined assets under administration is £22.53bn (as at 31 December 2023).

In July 2003, CLI became a subsidiary of the Great-West Life Assurance Company which is owned by Great-West Lifeco Inc. The Great-West Lifeco Inc Group of companies serve the financial security needs of individuals and organisations in Canada, the United States and Europe, providing retirement savings and income plans, as well as comprehensive protection contracts for individuals and families. The combined total of consolidated assets under administration for Great-West Lifeco Inc is £1,456 billion (as at 31 December 2022).

AKG 5-star rating

AKG is an actuarial consultancy specialising in the provision of information and market assistance to the financial services industry. Each year, AKG representatives visit the head offices of a number of investment companies. From an international investment perspective, every major insurer that operates in an international jurisdiction takes part in the assessment. The AKG ratings, whilst considering the financial strength of the parent group, focuses on assisting intermediaries on evaluating the strength, solvency, business processes and practices of companies such as Canada Life International Limited.

The 2023 report reaffirmed that CLI is a key player in the international investment market and remains amongst the leading international providers. Furthermore, CLI was the only international insurer to have maintained an overall 5-star Yearly Review rating for the twenty first consecutive year.

Fees

As discussed, for reviewing and analysing your personal and financial objectives and arranging this investment we will be charging a fee of [£xxxx]. As part of the application form you have asked CLI to deduct this amount from the payments you make and they will fulfil this request and arrange for [£xxxx] of each payment over the first [X] months/years to be paid to us on your behalf.

In addition to this, to pay for the ongoing service that we will provide we will make a charge of [£xxx/x.x%] each year. You have requested CLI deduct this amount from the investment and pay it to us on your behalf.

Full details of the charges appropriate to the funds you have chosen are shown on your personal illustration.

Closing

You have already received a key features document, key information document and personal illustration for the proposed OSA. These contain full details of the features, benefits, charges and any risks.

I/We consider that the OSA is the most suitable product for your financial needs and that Canada Life International Limited is the most appropriate product provider. OSA offers fair value when considering the product's pricing, the range of features and services available and the potential benefits it provides.

Thank you for your application.



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