

The Segregated Portfolio Service

Investment Manager Guide

The international Investment bonds* (“Accounts”) provided by Canada Life International Limited and Canada Life International Assurance (Ireland) DAC (“we/us”) have the potential to provide significant tax benefits** and as a consequence, HMRC limits the range of investments (called permitted assets) that a client can invest in to ensure that no abuse takes place. Provided funds are managed by a Discretionary Fund Manager (DFM) with no influence from the policyholder or their professional adviser, HMRC allows a wider investment choice than is typical for an international portfolio account. We give appropriate investors the opportunity to take advantage of these benefits through The Segregated Portfolio Service (SPS).

* Please see ‘Our International Investment bonds’ on page 2

** The value of any tax benefit is dependent on each client’s individual circumstances.

This is not a consumer advertisement. It is intended for Discretionary Fund Managers and should not be relied upon by private investors or any other persons.



What does it offer?

- Wider choice of investments, including direct investment into equities, gives greater scope for diversification.
- Less risk of accidentally incurring penal tax charges by investing in non-permissible assets.
- As the Investment Manager, you can transfer permitted assets in-specie, saving costs and eliminating time out of the market.
- Potential to reduce expenses by investing directly rather than through funds.
- Opportunity to benefit from your stock selection expertise.
- Opportunity to create true income portfolios, with direct investment into gilts and other fixed interest assets.
- You can also use fixed interest assets in a liability-driven strategy that matches maturities to future requirements. This may be particularly useful in cases where there is a need for fixed withdrawals, such as Discounted Gift Schemes.

Who is it suitable for?

This proposition is only available through a DFM that has a suitable agreement in place with us. The client can only select this service if they are willing to give up all investment decision making to you. If they are not happy to do this, the SPS is not appropriate for them.

What restrictions apply?

- The client cannot invest in any assets other than the SPS.
- You must demonstrably act independently of both the client and professional adviser.
- You must manage the Account investments in accordance with the client's risk profile and investment objective.
- Neither the client nor the professional adviser may give any investment instructions to you.
- For assets that you transfer in-specie, no individual holding can exceed 33% of the total value of the assets being transferred. The assets must originate from a Discretionary portfolio and have been selected by the investment manager of the portfolio. The assets must have been held for more than 6 months on the clients behalf.

How does it work in practice?

- Whilst the client may select you as their Investment Manager, we will appoint you to manage the investment in the SPS portfolio on behalf of us, without any influence or direction from the client.
- Correspondence from you to the client and/or professional adviser must be for information purposes only. All correspondence from the client and/or professional adviser to you must come through us.
- If the client's risk profile and/or investment objectives change, we will give instructions to you so that you can manage the investment accordingly. We will not pass on instructions if they are likely to conflict with the terms of the investment agreement.
- Particular care needs to be taken with client meetings, so that you can demonstrate you are operating within the terms of the agreement.
- We have the authority to prevent the purchase of an asset or instruct the sale of an asset.
- You will have to ensure that sufficient cash is available to maintain a positive balance in the Account's cash account.
- If the client needs to make a withdrawal from their Account for any reason, we will request that you sell sufficient assets to cover the withdrawal.
- Should circumstances change, the client can switch to any of the standard investment options without surrendering the policy and losing the tax advantages.

Our International Investment bonds

Also known as open architecture bonds, our range of international investment bonds provide a wealth of investment options tailored to individual investment objectives and attitude to risk.

Due to the compliance process that needs to be in-place, Segregated Portfolio Service is not available under every international bond. It is only offered through the following range of International investment bonds;

- Premiere Account & Premiere Europe Account
- Premiere Discounted Trust Account & Premiere Europe Discounted Trust Account
- Wealth Preservation Account & Wealth Preservation Europe Account
- Controlled Access Account
- International Portfolio Bond
- Enhanced Estate Preservation Account
- Estate Preservation Account
- Inheritance Planning Account



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