



# THE SPANISH **COLLECTIVE INVESTMENT BOND**

A straightforward investment product for expatriates living in Spain.

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Please remember that the value of investments can fluctuate and you may not get back the full amount of your original investment. This brochure explains how a Spanish Collective Investment 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.

## SIMPLICITY FROM OLD MUTUAL INTERNATIONAL AND WEALTH INTERACTIVE

**Investing can be a complicated process. It makes sense to maximise your opportunities by holding a portfolio of different assets, but that tends to increase your paperwork. You can feel overwhelmed by dividend and tax receipts, contradictory reports and different dealing procedures.**

You may have thought about holding off investing or restricting your investment choices because you're unsure how the local taxes impact your investments or whether they all apply to you.

If you want the benefits of a diverse portfolio wrapped up in one policy that's tax-compliant in Spain, then our Spanish Collective Investment Bond could meet your needs. It enables you to:

- **keep up to date with all your investments** through our online system, Wealth Interactive
- **save yourself time and trouble** by leaving day-to-day administration and record-keeping to us
- **build and refine a portfolio that helps meet your needs** and complies with Spanish (and UK) tax law
- **take advantage of Old Mutual International's global buying power**, which means we can often negotiate significant savings on initial fund charges for you
- **choose from a wide range of investments** which can be 'wrapped' in a single policy, making it easier for you to monitor them
- **easily keep track of the value** of your investments, because however many different currencies they are in, you'll always get clear valuations in a single currency. Using Wealth Interactive allows you to view daily valuations.

Our online system, Wealth Interactive, will help to reduce your paperwork and record-keeping burden. You will have all your investments in one place, making them simpler to administer.

Every three months, we'll send you a statement showing the closing value of your portfolio for that quarter, any premiums or benefits paid, and the charges we've deducted. You'll also receive just one tax certificate every year, no matter how many investments you hold.

Even if you do need to complete a personal tax return or discuss matters with your accountant, all your investments will be listed within one policy document, to keep your paperwork to a minimum.

To overcome short-term volatility of investment markets, we strongly believe that you should consider the policy as a medium- to long-term contract and therefore should remain invested for at least five years.

# WHY INVEST WITH OLD MUTUAL INTERNATIONAL IRELAND dac?

Old Mutual International Ireland dac is one of the companies that make up Old Mutual International. Old Mutual International is part of Quilter, a leading wealth management business in the UK and internationally, helping to create prosperity for the generations of today and tomorrow.

Old Mutual International Ireland is regulated by the Central Bank of Ireland which has direct responsibility for the life insurance industry. All life assurance companies licensed in Ireland are subject to the country's well established, rigorous regulatory system, which complies with EU standards.

As a full member of the European Union, Ireland also has strict anti money laundering legislation.

## OLD MUTUAL INTERNATIONAL IRELAND

was formed in 2003 to provide cross-border solutions for European investors, so you can be confident that you are investing with a company that understands the needs of investors living in Spain.

## OLD MUTUAL INTERNATIONAL

is the collective name for the offshore and cross-border providers of investment solutions within Quilter.

## QUILTER

is a leading provider of advice, investments and wealth management both in the UK and internationally, managing over £100 billion of investments on behalf of over 900,000 customers (as at 31 March 2018).

## QUILTER INVESTORS

is the multi-asset business of Quilter, managing the 'GlobalSelect' range of investment solutions, with a distinctive blend of investment prowess and a deep commitment to customer service and transparency.

**i** The value of your Bond can fall as well as rise and is not guaranteed. To overcome short-term volatility of investment markets, we strongly believe that you should consider the Bond as a long-term contract and therefore should remain invested for at least five years.

# FLEXIBILITY CHOICE AND CONTROL

Issued by Old Mutual International Ireland dac (Old Mutual International Ireland), based in Dublin, our Spanish Collective Investment Bond ('the Bond') is a life insurance policy where your investments can be held in one place. In fact, it's a unit-linked, whole of life, lump sum policy – see the glossary below. It offers you a flexible way to create an investment portfolio that suits your lifestyle.

## SPANISH COLLECTIVE INVESTMENT BOND

The Spanish Collective Investment Bond could be suitable for customers who:

- are UK, or other expatriate, based in Spain or planning to relocate to Spain
- are aged between 18 and 89
- are looking to invest at least €37,500 or currency equivalent into this product
- want to invest tax-efficiently over the medium- to long-term
- want to achieve investment growth aligned to their attitude to risk
- expect to have access to a guided range of collective investments that enable them to build a bespoke portfolio
- 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 Spanish Collective Investment Bond might not be suitable for customers who:

- are Spanish nationals
- 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 their money
- wish to invest their money in cash
- want to invest in stocks and shares
- want access to professional investor funds.

## MAKING THE RIGHT CHOICES

**You have plenty of choice when it comes to creating your portfolio, as we have compiled an extensive list of funds which comply with Spanish tax law.**

The Spanish Collective Investment Bond offers over 400 funds from many of the world's leading fund managers including a range of multi-asset solutions from Quilter Investors.

Building a portfolio that meets your individual needs and investment goal requires careful planning, an in-depth knowledge of the world's investment markets – and plenty of time. That's why it may make sense to use professional help and appoint a fund adviser to help you design and monitor your portfolio. Speak to your financial adviser, who will be able to discuss the options with you.

Your financial adviser will also be able to provide you with our list of suitable Spanish tax compliant funds.

### GLOSSARY

A **unit-linked policy** is one where the benefits are directly linked to the value of the underlying assets the policy is linked into. This means the benefits you receive will fluctuate as the assets' values change.

**Whole of life** means that the policy will continue until your death or earlier if you cash in your policy (unlike some policies, which might end after a set number of years). You can also choose to name your close relatives as lives assured. The policy will continue until the death of the last life assured. In the event of the death of the last life assured, 101% of the surrender value will be paid out to your estate.

An **insurance policy wrapper** is a development of the unit-linked policy where you can ask for the policy value to be linked to a wide choice of collective investment funds available on the market.

# WEALTH INTERACTIVE ONLINE SERVICE

**Our customers expect and deserve excellent and timely services and support around the clock, whether they are at home or abroad.**

As soon as you invest in our Spanish Collective Investment Bond, you will be invited to get closer to your investments through our interactive online service, Wealth Interactive. It's a secure site that gives you and your adviser quick and easy access to everything you need to know about your Bond, including:

- its current and historic value
- how your assets are performing, plus access to relevant fund factsheets
- a library of the correspondence you've received from us
- a history of the transactions you or your adviser have made.

As well as viewing information about your investment, Wealth Interactive also lets you and your adviser carry out transactions online.

You can:

- update your personal and policy details
- create or update withdrawals
- buy and sell assets following discussion with your 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 for financial goal planning and risk profiling to help them fully understand your investment objectives. Once your Bond has started, all you have to do is activate your Wealth Interactive online service account so that you can enjoy the benefits described.



For more information on Wealth Interactive,  
visit our website:  
[www.oldmutualinternational.com/wealthinteractive](http://www.oldmutualinternational.com/wealthinteractive)

# YOU ARE ALWAYS IN CONTROL

## **With a Spanish Collective Investment Bond you are in control of changes you may wish to make to your investments and can change your portfolio at any time, quickly and easily.**

You can also add lump sums (of at least €3,750 or the equivalent in another currency), set up regular withdrawals to provide yourself with an income subject to any Spanish tax that might be payable. Please refer to 'Tax and Other Important Information for Spain' which you can obtain from your financial adviser.

Your income could be monthly, quarterly, half-yearly or yearly, to suit your individual needs, and you can stop or start it at any time.

### **PARTIAL WITHDRAWALS:**

If you only wish to withdraw part of your money, you must take out at least €750 in any one transaction. If the remainder is less than 25% of your original premium, you may have to pay an Early Surrender Charge. In line with the Policy Terms and Conditions, to make sure your Bond remains economically viable, we reserve the right to surrender your Bond automatically if it falls below the highest of 25% of the total premiums paid (after deduction of any charges), or a surrender value of €15,000. We will contact you if the Bond falls below these values, to give you the option of paying an additional premium, which is subject to our acceptance.

### **REGULAR WITHDRAWALS:**

Regular monthly withdrawals can be taken provided the initial premium is at least €150,000 (or currency equivalent). Where the value of the allocated units to the Bond at the date of payment falls below the highest of 25% of the total premiums paid (after deduction of any charges) or a surrender value of €15,000, we may stop regular withdrawals.



### **CASE STUDY: JULIE**

#### **Julie has just inherited €50,000 and wanted to invest this to help fund her retirement.**

As Julie lives in Spain and intends to stay there in retirement she was concerned about the impact of local taxes. Her adviser recommended the Spanish Collective Investment Bond as it limits investment to funds that are Spanish tax compliant.

This means that tax is deferred instead of being paid every year, enabling Julie to maintain a level of control over when she pays tax and gain access to a wide range of locally compliant funds.

**Please note:** this case study is fictional and used purely to illustrate a possible real-life scenario.

### **IMPORTANT NOTES:**

You can use the Spanish Collective Investment Bond for generation planning, adding extra control by placing your Bond in trust. Old Mutual International Ireland dac has a range of trusts that may suit your needs. Speak to your financial adviser to discuss trust options.

# GROWTH POTENTIAL PLUS TAX DEFERMENT

**The Spanish Collective Investment Bond offers you access to over 400 tax-compliant funds from many of the world's leading fund managers, optimising your prospects of capital growth and letting you build a portfolio that meets your needs.**

You can make changes to your investment portfolio without incurring any immediate tax liability, although a small administration fee will apply. These will be listed in the charges schedule and explained by your financial adviser.

As your investments in the Bond are Spanish tax compliant and held within a life insurance policy, you won't need to pay tax each year on any gains. Instead, you can defer tax liability until you make a withdrawal or cash in the Bond.

As a cross-border insurance provider, Old Mutual International Ireland is not currently liable to income tax, capital gains tax or corporation tax on its funds linked to its policies. You will not be liable for Irish tax unless you become resident in Ireland.

That means your investment will be able to grow more efficiently and you can defer any tax liability until the policy proceeds are paid, i.e. on surrender or the death of the last life assured. Even then you will only be taxed on the part which relates to investment growth.

Please remember that we can't guarantee that any tax relief or tax treatment will stay the same in the future.



# DESIGNED FOR YOU – 'GLOBALSELECT'

**Our GlobalSelect range is a choice of investment solutions designed for you to simplify the complex task of selecting and monitoring funds. Our GlobalSelect approach offers you:**

## COMPASS PORTFOLIOS

A range of risk-targeted, multi-asset portfolios, managed by Quilter Investors, the multi-asset business of Quilter.

The portfolios are truly globalised with no specific regional biases. They can be ideal solutions for you if you are seeking to diversify your investments over multiple markets, sectors, assets and investment styles. Each portfolio is a basket of assets packaged within a single fund, representing a highly diversified portfolio of:

- global stocks and shares
- alternatives
- fixed interest
- cash.

As the portfolios are UCITs, therefore tax compliant, and available in Euro, as well as GBP and USD, they are perfectly aligned to be used with our Spanish Collective Investment Bond.

## RESEARCHED FUNDS

A focused range of individual funds, carefully hand-picked by our investment experts. With our Researched funds, you and your adviser can build and manage a portfolio of funds with the peace of mind that the funds have passed our stringent quality standards.

The range includes approximately 50 Funds from 15 leading international asset managers covering all major asset classes, and as they are all UCITs they are deemed Spanish tax compliant.

## WHY CHOOSE THE RESEARCHED FUNDS?

One of the key benefits of investing in our Researched Funds is the peace of mind offered by the range. You and your adviser can build a portfolio of funds that matches your needs knowing that the funds available have been through our stringent research and are continuously monitored to ensure they keep meeting our criteria.

### Researched Funds may suit you if you:

- place a high value on the best-quality active management
- see the value of professional portfolio management
- want a diversified portfolio of global assets
- do not want a high level of involvement in fund selection or day to day portfolio management.

## WHY CHOOSE THE COMPASS PORTFOLIO RANGE?

One of the key benefits of investing in a diversified multi-asset portfolio is that it can offer a smoother overall investment journey, as different asset classes usually have different return behaviours. This is a proven way to spread risk and could help protect your money during periods when markets are performing poorly. You can also switch between portfolios as your investment needs change over time which can help ensure your investments are aligned with your needs and objectives.

Your adviser can help you to assess how much risk you would like to take and help you to identify which of the four risk-targeted multi-asset portfolios meets your needs best.

## COMPASS PORTFOLIOS MAY SUIT YOU IF YOU:

- want a clear idea of how to expect your portfolio to work
- place a high value on quality active management and professional portfolio management
- want a diversified portfolio of global assets that are Spanish Tax Compliant
- do not want a high level of involvement in fund selection or day to day portfolio management but want to ensure they remain locally tax compliant.

You can access both the product and the Compass Portfolios online through Wealth Interactive, helping you and your adviser to simplify and speed up transactions and administration.

We strongly advise you to speak to your financial adviser before making any investment decision.

RISK RATING	FUND NAME
<p><b>HIGH RISK</b></p>  <p><b>LOW RISK</b></p>	<b>Old Mutual Compass Portfolio 5</b>
	<b>Old Mutual Compass Portfolio 4</b>
	<b>Old Mutual Compass Portfolio 3</b>
	<b>Old Mutual Compass Portfolio 2</b>

## FEES AND CHARGES

**The charges for setting up and maintaining your Spanish Collective Investment 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 Old Mutual International Ireland has incurred in setting up and managing your Bond
- the administrative costs of the fund managers
- any fees charged by your financial adviser.

You may need to pay an **early withdrawal charge** if you cash in your Bond fully. The length of time this charge applies for depends on the charging structure you choose for your Bond. This charge may also apply if you cash in part of your Bond and the amount remaining is less than either 25% of your total investment, or €15,000/£10,000/US\$15,000 (or another currency equivalent).

If you decide to change any of the investments into a different fund, you will usually have to pay a **dealing charge**. This is currently €24.50 for each transaction. Most switches involve two transactions: out of the current fund and into the new one – so the charge would be €49. You may also need to pay other **third-party charges** such as bank charges or telegraphic transfer charges, which will be included in the net amount being switched.

The administration and dealing charges are all defined in multiple currencies, so the charge will be in the currency of the bond, for example US\$ bond will have US\$ charges.

The Spanish Collective Investment 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 commission paid by us to your financial adviser and could be in addition to any commission payable by the fund manager to your adviser in respect of the investments held. Further details of whether these apply, and the level of fees and commissions involved, are available from your financial adviser upon request.

**Thanks to our size, buying power and excellent relationships with fund managers worldwide, we can often negotiate substantial initial discounts on your behalf.**

We are part of a wider group of Quilter businesses providing cross-border investment solutions, asset management, discretionary management and financial advice. The group currently manages £111.6 billion in customer investments (as at 31 March 2018).

This means you can enjoy significant savings on some fund charges compared with what you'd pay if you invested directly in the funds.

Most fund managers take an annual management charge, which will be reflected in that fund's unit price.

 For full details of the charges that will apply, please see your policy terms and conditions.

# SPANISH COLLECTIVE INVESTMENT BOND AT A GLANCE

<b>Description</b>	A financial planning solution designed to be Spanish tax compliant that allows you to invest in a wide range of funds and optimise your prospects of capital growth.
<b>Applicant</b>	Available to investors aged between 18 and 89 (inclusive).
<b>Currency</b>	Choice of any major currency.
<b>Term</b>	Whole life.
<b>Death benefit</b>	101% of surrender value.
<b>Lives assured</b>	Available on a single, joint or multiple lives assured last death basis.
<b>Minimum investment</b>	€37,500, £25,000, US\$37,500 (or currency equivalent).
<b>Minimum additional investment</b>	€3,750, £2,500, US\$3,750 (or currency equivalent).
<b>Investment choice</b>	Extensive choice of internal and external collective investment funds and unit trusts.
<b>Access to your money</b>	<ul style="list-style-type: none"> <li>• Optional regular withdrawals*</li> <li>• Total or part surrender at any time (depending on charging structure, an early surrender charge may apply above a certain charge-free allowance).</li> </ul> <p>* Please refer to 'Tax and Other Important Information for Spain' which you can obtain from your financial adviser.</p>
<b>Administrative support</b>	Paperwork and record keeping carried out by Old Mutual International Ireland on your behalf.
<b>Third party support</b>	Option to use professional fund advisers to manage your portfolios.
<b>Charges</b>	Choice of charging structures to suit your circumstances.
<b>Valuations</b>	Using Wealth Interactive allows you to obtain daily valuations. We also issue quarterly statements and valuations.

## TAX INFORMATION FOR YOUR PROTECTION

**Withholding tax:** There may be an amount of withholding tax on income derived from the underlying assets in your Bond which you won't be able to reclaim. Withholding tax is a tax deducted on some foreign income in the country where the income was produced.

**If you decide to return to your country of origin:** Talk to your financial adviser about the implications of your move, and ask them to notify us of your new address. If you are returning to the UK the policy is not currently taxed as a Personal Portfolio Bond under UK regulations. However, we can't guarantee that the tax treatment will stay the same in the future.

**Complying with Spanish tax law:** We have a fiscal representative to whom we make payment of any withholding tax on benefits. This is then reported to tax authorities. Every year that you stay living in Spain, we will also provide the surrender value of your policy via the fiscal representative.

## ASK YOUR FINANCIAL ADVISER ABOUT OUR SPANISH COLLECTIVE INVESTMENT BOND

Visit [www.oldmutualinternational.com](http://www.oldmutualinternational.com) for more information about the Bond, and then talk to your adviser about the best way to create your tax-compliant portfolio.



To ensure you fully understand all the risks and benefits of the Spanish Collective Investment Bond you should also read the relevant Terms and Conditions. At Old Mutual International we strongly believe in the benefit of financial advice and encourage clients to review their circumstances and financial planning needs with their financial adviser before making an investment. You should also ensure you have obtained information on the funds you are investing in, which can be obtained from your financial adviser or from the fund manager's website.

Some dividends may be subject to tax deduction in the country where the income was produced, but once inside the Spanish Collective Investment Bond, the investment can accumulate virtually free of tax.

### [www.oldmutualinternational.com](http://www.oldmutualinternational.com)

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Old Mutual International Ireland dac is regulated by the Central Bank of Ireland. Registered No 309649.

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VAT number for Old Mutual International Ireland dac is 6329649S.

Old Mutual International is registered in Ireland as a business name of Old Mutual International Ireland dac.

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