This brochure will help ensure you have the facts necessary in order for you to obtain the best results with your investments

Avoiding unnecessary Offshore Bond Charges

Know the FACTS!

- Eliminating commission **REDUCES** BOND CHARGES and **ERADICATES** nasty SURRENDER PENALTIES
- Commission based salesmen hide additional charges and earnings in offshore funds, structured products and non-regulated funds
- An Offshore Bond offers **ZERO** advantages and **NIL** tax efficiency when held in offshore pensions, QROPS or SIPPs.

What makes us different?

- We charge explicit fees and ZERO commission!
- We recommend Offshore Bonds ONLY as part of an overall strategy with tax or trust considerations and **NEVER** in Offshore pensions, QROPS or SIPPs
- We ensure any investments are regulated, and meet your risk profile as agreed with you
- There are no surrender or access penalties on any products we recommend.

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Our typical initial fee for investments over £250,000

A typical initial bond commission salesmen receive

Additional projected return over 5 years (KEY POINT: Of course high commission impacts on returns)

Offshore Bonds can appear a good option, but then often fail to deliver.

Why?

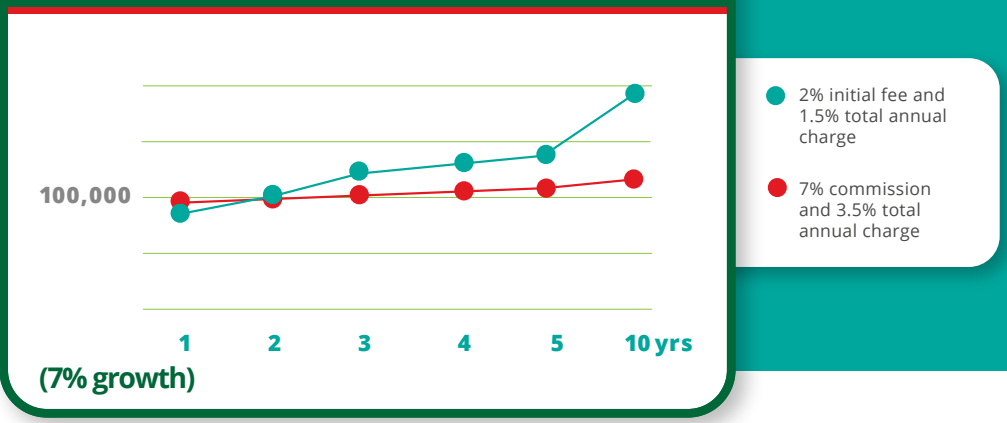
Hidden commissions and penalties all add up, so make sure you know the things to watch out for.

Advisers might not always tell you...

Commissions are often deducted in the form of additional ongoing charges applied for years.

These higher charges make a **BIG** difference to your investment returns as they act as a **DRAG**!

Offshore Insurance Bond Projected Growth



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Bond products often pay the highest commissions and have the highest charges. Any tax-efficiency is wiped out by commissions. Additionally, salesmen often use funds that pay additional commission. Do we need to say this but, with all these charges, the returns you actually receive will reduce dramatically.

We believe it is beneficial to consider the use of non-commission Bonds, platforms like WRAPS and passive investments as well as active strategies. We recommend low-cost ETF funds with a servicing proposition or true DFM (Discretionary Fund Managers).

Most "expat IFA advisers" you are speaking with are salesmen with limited, if any, financial qualification. Even though the firm they represent may be regulated in another country, the actual adviser is actually unregulated, meaning you have no come-back. **Commission is the only way a salesman wishes to be paid, but the truth is without commission your return will be higher.**

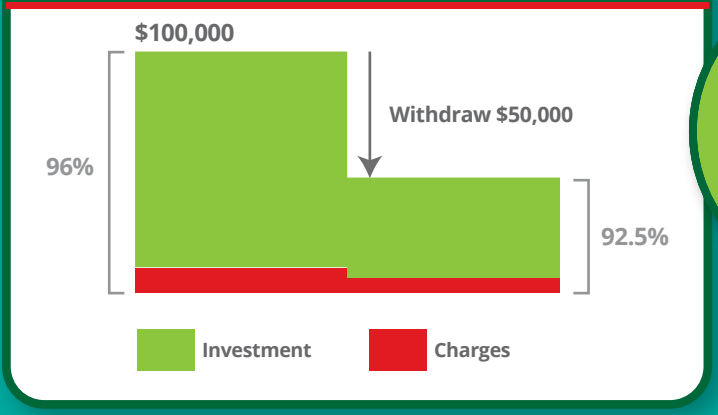
85%

of offshore expat advisers do not have recognised financial qualifications

KEY POINT: The charges linked to commissions on Investment Bond wrappers are based on the larger of the original investment or the current value. This has a huge impact when you extract part of the investment as your Bond charges do not reduce proportionally unless you surrender part and take a penalty (equivalent to the unpaid commission taken by the salesman).

So, you either take a surrender penalty on access in the early years, or your charges go up relative to the amount left invested, which severely impacts on future growth, as shown below:

How much of your investment is left after Charges?



Before **After**

4% **7.5%**

Growth required to offset charges and avoid losing money

WARNING ABOUT COMMISSION BASED BONDS

If you access one in the early years, you take either a surrender penalty, or the investment growth required will increase

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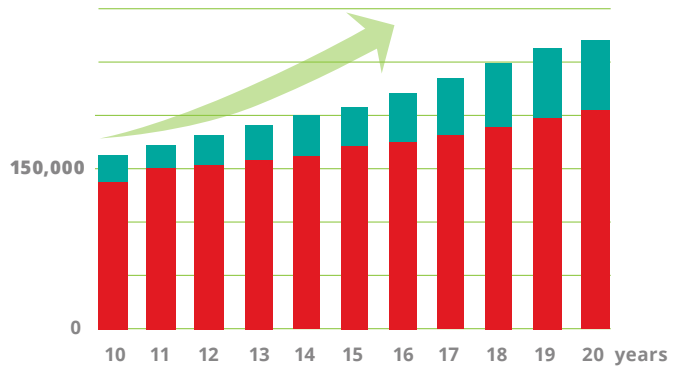
Projected Growth in the later years

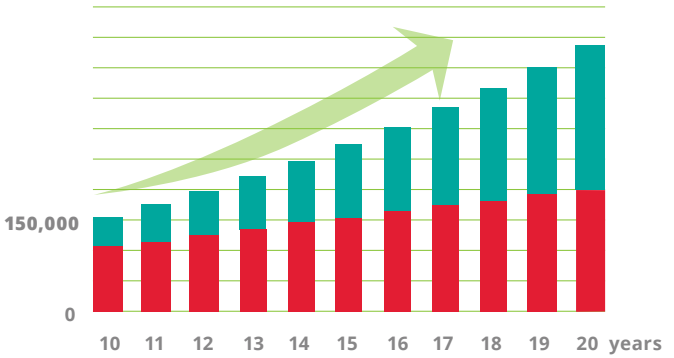


(7% growth on a £100,000)

- Total annual charge (including fund charge) 1.9%
- Total annual charge (including fund charge) 3.4%

Portfolio Bond projections do not always include all the charges, especially not including the actual fund charges. Nor do they take inflation into account. This often means that their real value is much less.

Impact of inflation



(3% inflation)

- Total investment projected value
- Real Value (after inflation)

KEY POINT: Offshore Bonds do not provide tax free income – they are tax deferred withdrawals which do not qualify in a pension or in every country, meaning you eventually have to pay tax. The management of withdrawals and tax is an essential part of the advice which often gets ignored. Therefore, for the whole picture, you need to speak to a qualified adviser who understands trusts, where they qualify and how they can be used, if they can be used.

Talk to us!

We pride ourselves on being different and truly upfront about our fees and charges, even those of third parties like the fund managers. We provide advice as against a product sale, and we aim to understand your financial situation and recommend strategies to meet your objectives. We avoid commission based products and funds, **which means you avoid losing out!**

To see how we can help, contact our team of advisers

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