



Offshore Portfolio Bond

SMARTfunds / DPS - Key Features

keyfacts®

THE AIMS OF THE BOND

- To provide you with the opportunity to achieve tax efficient capital growth over the medium to long-term through investment into a choice of fund options.
- To provide you with reasonable access to your investment at anytime.

YOUR COMMITMENTS

- You agree to invest a lump sum of at least £25,000, unless otherwise agreed by Isle of Man Assurance Limited. Surrenders of individual policies may not reduce the value of the Offshore Portfolio Bond below £5,000.
- You should view your investment as being for the medium to long term.

RISKS

- The return applied to your investment will depend upon the fund options you select.
- The value of your investment may fall as well as rise.
- If you surrender your bond you may get back less than you invested.
- If you use your right to cancel as set out in this document you will get back the amount you invested less any fall in the value of the underlying assets of your Bond at the time we receive your notice to cancel. This will not include any initial Adviser Charge that has been paid on your behalf.
- If you make regular or one-off withdrawals which exceed the growth in the value of your Bond, the value of your investment will be eroded.
- Past performance is not necessarily a guide to future performance.
- Where an asset allocated to your Bond is denominated in a currency other than Sterling, changes in the rate of exchange may cause the value of the investment to go up or down.
- The charges may be increased in the future.
- The taxation position of the Bond in the UK, the Isle of Man and any other jurisdiction relevant to you is not guaranteed and is subject to changes in legislation. You are strongly recommended to consult a professional adviser to satisfy yourself as to your tax position.
- Similarly, your own tax position may change from that which currently applies.
- You should view your investment as being for the medium to long term. Encashment or withdrawal in the first three years of your policy may result in a surrender charge.

YOUR PERSONAL ILLUSTRATION

- The enclosed Illustration shows how the Offshore Portfolio Bond (SMARTfund / DPS) may work for you. This is an illustration only and is not intended as a forecast, projection or warranty of investment performance by Isle of Man Assurance Limited. The actual performance will depend entirely on the investment performance of the funds which you select and which are allocated to the Bond.

QUESTIONS AND ANSWERS

WHAT IS THE OFFSHORE PORTFOLIO BOND (SMARTfund / DPS)?

The Offshore Portfolio Bond (SMARTfund / DPS) (the "Bond") is a series of single premium whole of life assurance policies issued by Isle of Man Assurance Limited ("IOMA").

Your premium will be invested in the available funds selected by you in the application form or by your appointed Investment Manager, from time to time.

WHO CAN INVEST IN THE OFFSHORE PORTFOLIO BOND?

Anyone over the age of 18. Investments can be made by Individuals, Trustees or Corporate applicants. The Bond may have joint Policyholders.

HOW MUCH CAN I INVEST?

The minimum initial investment is £25,000, there is no maximum investment.

Additional premiums can be paid into the Bond at any time subject to a minimum of £5,000.

HOW DO I APPLY FOR A BOND?

Before applying for a Bond you should consult your financial adviser and read this document. You must then:

- Complete the application form for the Bond.
- Provide the proof of identity and residential address documents as detailed in the application form and evidence of the source of wealth and funds for your investment.

Your financial adviser will assist you with this process. The application form and supporting documentation should be sent to the address on the forms.

If IOMA approves your application you will be sent a cancellation notice. If you do not cancel, you will receive your policy document from IOMA.

CAN I TAKE REGULAR WITHDRAWALS OF CAPITAL FROM MY BOND?

You can decide to make regular withdrawals of capital from your Bond at any time subject to a minimum withdrawal of £500 on each occasion. Any withdrawal of capital in excess of 5% per annum may attract an income tax liability.

Any withdrawals must not reduce the value of your Bond to below £5,000.

WHAT HAPPENS IF I WANT TO SURRENDER PART OR ALL OF MY BOND?

You may make a part or total surrender from the Bond at any time, subject to a minimum surrender of £500.

HOW IS MY MONEY INVESTED?

Each premium, after the initial charge is invested in to your Bond.

You may invest in any one, or more, of the funds made available for investment by SMARTfund Administration Ltd and/or of the discretionary portfolios within the DPS offering made available for investment by SMARTfund Administration Ltd. These assets form part of the long-term business fund of IOMA.

You are required to keep a minimum balance of 1% in cash at all times to cover Bond charges; IOMA will retain this in an internal cash fund in the same denomination as the Bond.

HOW MUCH WOULD I RECEIVE ON ENCASHMENT?

The amount you receive from regular withdrawals of capital or from a partial encashment, or from a total surrender will depend on the price of the units in the fund options selected by you, which are allocated to your Bond and any ongoing or surrender charges that may be applicable.

DOES THE POLICY INCLUDE LIFE COVER?

Individuals may apply for a single life, joint life, or multiple lives assured Bond. The proceeds of the Bond will be paid out on a last death basis where there is more than one life assured.

The death benefit will be equal to 100% of the value of the Bond plus £100. The Bond does not provide any significant element of life cover beyond the value of the investment at the date of death.

WHAT ARE THE CHARGES AND WHAT ARE THEY FOR?

Adviser Charge

You can instruct IOMA Life to facilitate Adviser Charge payments directly to your Adviser on your behalf. Any initial Adviser Charge will be deducted from your initial payment reducing the amount to be applied as the premium. Any on-going Adviser Charge would affect the level of your UK tax deferred withdrawal allowance. Ad-hoc Adviser Charges are permitted also and would affect the level of your UK tax deferred withdrawal allowance.

Bond Initial Charge

There will be an Initial Charge of 0.25%, subject to a minimum of £150, which will be levied on all premiums paid prior to being invested in units in available funds for allocation to your Bond.

Bond Annual Management Charge

An Annual Management Charge of 0.30%, subject to a minimum of £125 per annum, will be payable. This charge will be deducted proportionately, quarterly in arrears. The charge will be applied to the value of the Bond on the last working day of March, June, September and December.



SMARTfund & DPS Charges

If you elect to invest in SMARTfund investment options, an initial charge of 0.5% will be payable to the manager of the SMARTfund investments to which your Bond is linked.

If you elect to invest in SMARTfund investment options, an annual management charge of 1.0% will be payable to the manager of the SMARTfund investments to which your Bond is linked.

If you elect to have any of your Bond invested in the DPS discretionary portfolios, rather than SMARTfund investments, this will subject to separate charges, details of which are available from your financial adviser and will also be outlined in your personal illustration.

11. HOW CAN I FOLLOW THE PROGRESS OF MY BOND?

Once a year, you will be sent a full valuation statement of the Bond setting out the transactions that have occurred and the current value of the assets allocated to the Bond. Quarterly valuations will be available online. More frequent valuations may be obtained at any time. These may be subject to an additional charge not exceeding £100.

12. WHERE CAN I OBTAIN FURTHER INFORMATION?

Your Independent Financial Advisor will be happy to answer any further questions you may have including those about compensation arrangements which may apply.

13. CANCELLATION RIGHTS

If cancellation rights apply to you after your proposal has been accepted you will receive a Notice of Your Right to Cancel. You will then have 30 days in which to change your mind, as required by law. Not all investors have cancellation rights. For example, you will not have a right to cancel if you are investing in the course of trade, business or profession.

If you exercise your right to cancel within 30 days of the receipt of the cancellation notice, you will get back the amount you invested less any fall in the value of the assets linked to your Bond between the date of investment and the date on which we receive your notice to cancel. If you instructed us to pay an initial Adviser Charge, this will not be refunded by IOMA Life. You should speak to your adviser about any repayment of an initial Adviser Charge.

14. HOW DO I PAY MY PREMIUM?

Payment must be made in Sterling by cheque, banker's draft or Telegraphic Transfer to:

Account: The Royal Bank of Scotland
International Limited
SWIFT: RBOSIMDX
Account Name: Isle of Man Assurance Limited - Life
Account number: 58146347 (Ref Policy Number)
Sort code: 16-58-80

IBAN Number if Requested:

GB65RBOS16588058146347

Cheques should be made payable to Isle of Man Assurance Limited. If the cheque is not drawn on your personal account you may be asked to verify the source of the funds.

TAX

Isle of Man Assurance Limited is not liable to any income tax, capital gains tax or corporation tax in respect of the assets allocated to your Bond. The only exception may be withholding tax, which is tax withheld by some countries on dividend income and interest.

The UK Finance Act 1998 ('the Act') contains provisions relating to 'personal portfolio bonds'. While every effort has been made to ensure that the Bond does not constitute a 'personal portfolio bond', Isle of Man Assurance Limited is not providing any advice as to the tax implications of investing in the Bond.

Your tax position will depend upon a number of factors including your personal circumstances and your must obtain advice from your own financial advisor, both at the outset and throughout the life of your Bond. In particular you should ensure that you are able to satisfy any local tax, exchange control or insurance legislation or regulations applicable.

The UK Finance Act 1998 requires that, in certain circumstances, Isle of Man Assurance Limited must disclose information concerning UK resident policyholders to the UK Inland Revenue. This disclosure may be required when an event occurs which results in a gain being realised. Disclosure will be dependent upon the amount of any gain and whether or not we are aware, or believe, that the policyholder was resident in the UK at the time the event occurred. A chargeable event may occur in the following circumstances:

- Death of the life assured
- Maturity of the policy
- Partial surrenders in any year in excess of the 5% of the initial premium for each year your bond has been held.

For further details, please consult your adviser.

DATA PROTECTION

The personal details provided by you will be held on our system to enable us to administer your Bond and may be used in the future to provide you with information on this and other products.

REGULATION

IOMA is authorised by the Isle of Man Government Insurance and Pensions Authority and is also regulated by the Financial Conduct Authority for UK Business. However, Isle of Man Assurance Limited is not subject to the same regulatory system as that applicable in the United Kingdom. Holders of policies issued by Isle of Man Assurance will not be protected by the United Kingdom Financial Services Compensation Scheme if the company should become unable to meet its liabilities to them. However, the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 protects investors by providing a statutory guarantee equal to 90% of the amount of any liability of the insurance company under any life policy. This compensation would be received in the unlikely event that the insurer became unable to meet its liabilities.

Please note that the Isle of Man compensation is not payable in the event that IOMA is solvent but providers of underlying investments with your Offshore Portfolio Bond have failed. Alternative compensation arrangements may apply in such circumstances and you should seek further details from your adviser.

The Financial Conduct Authority is the independent financial services regulator. It requires us, IOMA, to give you this important information to help you decide whether our Offshore Portfolio Bond is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

LAW

Your Bond is construed in accordance with Isle of Man law.

ISLE OF MAN ASSURANCE LIMITED

The Isle of Man & General Life Assurance Company was formed in 1971. In 1982 it changed its name to Isle of Man Assurance Limited. Isle of Man Assurance Limited is registered as a company in the Isle of Man.

QUERIES AND COMPLAINTS

For further information, or if you wish to complain about any aspect of the service you have received, please contact Isle of Man Assurance Limited. If your complaint is not dealt with to your satisfaction you can complain to the Financial Services Ombudsman Service for the Isle of Man. Copies of our internal complaints procedure are available on request. Holders of policies issued by Isle of Man Assurance Limited will not have the right to complain to the UK Financial Services Ombudsman Service.

However, the compensation is not payable in the event of the failure of providers of underlying investments within your Bond.

This is a brief guide to the features of the Offshore Portfolio Bond (SMARTfund / DPS) and should be read in conjunction with the brochure. Full details are contained in the Policy which is a legally binding contract of insurance between you and Isle of Man Assurance Limited

IMPORTANT NOTES

IOMA will class all policyholders as Retail Clients.

Past Performance is not necessarily a guide to the future. The value of investments can go down as well as up.

References to legislation and taxation in this leaflet are based on Isle of Man Assurance Limited's understanding of current law, which may change without notice.

Isle of Man Assurance Limited is a member of the IOMA Group Registered Office: IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP, British Isles Telephone: +44 (0) 1624 681200 Facsimile: +44 (0) 1624 681390 Email: ioma@ioma.co.im Website: www.ioma.co.im Authorised by the Isle of Man Government Insurance & Pensions Authority. Authorised and regulated by the Financial Conduct Authority. Registered No. 3792 Isle of Man.