

Sanlam Onshore Bond accessed through the Sanlam Private Wealth Discretionary Management Service

STATEMENTS FOR CLIENT SUITABILITY LETTERS

Important information: This document contains sample statements to assist financial advisers who are accessing the Sanlam Onshore Bond through the Sanlam Private Wealth Discretionary Management Service when compiling individual suitability letters and does not constitute a suitability letter in itself. Sanlam Investments and Pensions accepts no liability for any action taken or not taken by any individual or firm as a result of the contents of this material. While we have made every effort to ensure the accuracy of this material, we cannot accept responsibility for any consequences (financial or otherwise) arising from relying on it. Please note that if the content is to be used in a suitability letter, it must be approved by your own compliance officer in the first instance.

Sanlam profile

Sanlam's UK wealth management business is part of Sanlam Limited, the international financial services group, which has been advising clients around the world for over 100 years. Valued at almost £13.7 billion*, employing more than 105,000 individuals worldwide and managing more than £51.8 billion* in client assets, the Sanlam Group is an organisation with a growing global presence.

*As at 31 December 2018

Product criteria

The Sanlam Onshore Bond is a life assurance bond made up of 1,000 segments. It may be suitable for an individual who has £350,000 or more to invest and is looking for a medium- to long-term investment, ideally five years or more. It can also provide you with access to regular or ad hoc withdrawals. It allows access to the Sanlam Private Wealth investment universe so that you can choose the investments that are most suited to your objectives and attitude to investment risk, subject to the specific investment restrictions applicable to the Sanlam Onshore Bond.

Suitability

I have recommended the Sanlam Onshore Bond to you because you (*delete as appropriate*):

- Require regular tax-efficient withdrawals.
- Are retired and want to supplement your income through withdrawals.
- Are an active investor wishing to avoid triggering additional personal capital gains tax charges on encashments.
- Want simpler tax administration for your investments.
- Want the flexibility to assign segments to lower-rate taxpayers.
- Are a higher or additional rate taxpayer who expects

to become a basic rate taxpayer when the policy is finally surrendered.

- Wish to mitigate the effects of inheritance tax by using specimen Sanlam trust arrangements.
- Are a trustee of an existing trust and feel that the product is a suitable investment for the trust.

Minimum investment

The minimum initial investment into the Sanlam Onshore Bond is £350,000. Additional single payments must be for a minimum of £1,000.

Withdrawals

The Sanlam Onshore Bond allows you to take regular withdrawals, which can be paid monthly, quarterly, half yearly or yearly. Regular withdrawals, specified as a fixed amount or as a percentage of the initial investment, are restricted to 7.5% of the initial investment per annum. You have chosen to take annual withdrawals of (*insert amount or percentage of initial investment*).

Add this paragraph if the client has chosen withdrawals in excess of 5%:

You can withdraw up to 5% of your initial investment in each policy year over a 20-year period and pay no additional income tax. This allowance is cumulative, so it can be carried over to future years if not used. If you withdraw more than your cumulative 5% allowance in a policy year and are, or any gain makes you, a higher rate or additional rate taxpayer, you will incur an income tax liability.

All withdrawal payments are subject to a minimum of £50 per payment.

Investment choice

The Sanlam Onshore Bond allows you to access investments from the Sanlam Private Wealth universe provided they meet the FCA's permitted links requirements and the specific investment restrictions applicable to the Sanlam Onshore Bond.

Charges

The product charges are as set out in the *Sanlam Onshore Bond features and charges* document and are also shown in your personal illustration.

Tax

Sanlam Life & Pensions UK Limited is responsible for collecting and paying UK corporation tax on income and gains arising from the underlying investments of your Sanlam Onshore Bond. The tax is calculated in arrears on a quarterly basis and the balance is deducted from your Sanlam Onshore Bond. This meets your liability to basic rate tax.

FSCS protection

For eligible claimants, the Sanlam Onshore Bond will normally be covered under the Financial Services Compensation Scheme for 100% of the policy value with no upper limit, in the unlikely event of Sanlam Life & Pensions UK Limited becoming insolvent.

Death benefit

If you die, the Sanlam Onshore Bond will pay out a death benefit of 100.1% of the value of the contract in accordance with the product terms and conditions.

Trusts

The onshore bond wrapper may be held under a trust arrangement. Sanlam Life & Pensions UK Limited offers a range of specimen trust deeds for this purpose. Alternatively, the product may be a suitable investment for holding under an existing trust arrangement, such as a will trust.



Wealth



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