

# Target Market Statement

## Wealthtime Classic Offshore Bond

November 2024

### 1 Product Overview

The Wealthtime Classic Offshore Bond is a tax-efficient offshore investment solution, designed for clients seeking long-term wealth preservation and growth opportunities. This product is provided by one of three insurance companies—Utmost Limited, Old Mutual International, or Canada Life International. It is available exclusively through the Wealthtime Classic platform, requiring clients to work with a professional adviser for access and management. The bond offers flexibility in both investment choices and withdrawal options, suitable for UK-based clients looking to manage their offshore investments.

### 2 Who is this appropriate for?

- **UK Tax Residents:** Individuals who are UK tax residents seeking to invest in an offshore bond for tax deferral purposes.
- **Medium to High Net Worth Individuals:** Clients with substantial wealth who are looking for a tax-efficient solution to grow and manage their investments offshore.
- **Long-Term Investors:** Investors with a long-term financial horizon (typically five years or more), aiming for capital growth or income.
- **Advised Clients:** Clients working with a financial adviser to ensure the suitability of the product for their financial goals, tax planning, and estate planning strategies.

- **Clients Seeking Flexibility:** Investors who want the ability to make both regular withdrawals and ad-hoc withdrawals, managed within the bond's structure, without immediate UK tax liabilities on growth.

### 3 Who is this not appropriate for?

- **Non-Advised Clients:** Individuals who are not receiving professional financial advice, as this product is designed for adviser-led business only.
- **Short-Term Investors:** Clients who require access to their capital in the short term or are not prepared for the long-term nature of offshore bonds.
- **Clients with Low Investment Amounts:** The bond is generally not suitable for clients with smaller sums to invest, given the typical costs associated with offshore investments.
- **Non-UK Tax Residents:** Individuals who are not resident in the UK for tax purposes or whose tax situation makes the use of an offshore bond inappropriate.
- **Clients Seeking Full Liquidity:** Those needing instant access to all their funds, as early withdrawals may be subject to penalties or tax liabilities.

## 4 Key Features

- **Tax-Efficient Growth:** Growth within the bond is not subject to UK tax until withdrawals are made, allowing for tax deferral.
- **Investment Flexibility:** Clients can access a range of investment assets, including cash, equities, bonds, and collective investments (e.g., unit trusts, OEICs) within the bond wrapper.
- **Multiple Withdrawal Options:** The bond allows for both regular and one-off withdrawals, with potential to manage the timing of tax liabilities.
- **Death Benefit and Inheritance Planning:** The bond can be used as part of an estate planning strategy, offering potential advantages through its tax-efficient structure.

## 5 Product Complexity

The Wealthtime Classic GIA is considered a moderately complex product. The wide range of investment options and the potential tax liabilities require clients to have a solid understanding of their financial situation, and the risks associated with equity-based investments. Advisers play a key role in helping clients navigate the complexities and ensure that the GIA fits into their overall financial strategy.

## 6 Fair Value Assessment

The Wealthtime Classic Offshore Bond provides fair value to clients who are seeking long-term, tax-efficient growth opportunities. When combined with professional financial advice, the bond offers flexibility and control over investments in a structure designed for tax deferral. Regular reviews with a financial adviser are recommended to ensure the product continues to meet the client's needs and aligns with their evolving financial situation.

## 7 Risks

- **Investment Risk:** The value of investments within the bond can fall as well as rise, and clients may get back less than the amount invested.
- **Liquidity Risk:** Offshore bonds are long-term investments, and early access to funds could incur charges or tax liabilities.
- **Tax Risk:** Future changes to tax legislation could impact the tax benefits of the bond. Advisers should keep clients informed of any changes that could affect their investments.
- **Currency Risk:** If the bond includes investments in foreign currencies, clients may be exposed to currency fluctuations, which could impact the value of their bond.

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