



CUSTODIAN LIFE®



Introducing  
The most  
Revolutionary  
Investment  
Bond

in the offshore insurance market



# Welcome

This brochure aims to provide a comprehensive view of Custodian Life and the features of our Exclusive Investment Bond (EIB) and the potential benefits.

Before applying for EIB you should consult your financial adviser. Your financial adviser will be able to advise you on suitable features, the charging structure and potential investments. You may request a copy of the Terms and Conditions at any time.

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A person is sitting on a rocky cliff, looking out over a vast sea of clouds. The scene is captured at sunset or sunrise, with a warm orange glow on the horizon. The person is in silhouette, wearing a dark jacket and shorts. The clouds are thick and white, stretching to the horizon. The overall mood is serene and contemplative.

# At Custodian Life, innovation is freedom

## Dedicated to serve investors worldwide

Custodian Life Limited is a life insurance company incorporated and regulated in Bermuda. Custodian Life was built with both the client and the adviser in mind, with compliance and transparency being key.

Custodian Life is registered under the Insurance Act 1978 and the Segregated Accounts Companies Act 2000. The Company is under supervision of the Insurance Department within the Bermuda Monetary Authority. We offer one product with 100% flexibility to offer our clients tailored solutions.

We work together with the best providers of each of those services that you as a client or a financial adviser will need.



We strongly believe that starting with a firm foundation ...

... leads to a solid future

## Why Bermuda?

### Because we don't compromise with your wealth

The Bermuda Insurance Act has been selected on the basis that it provides a comprehensive offshore legal framework to govern the policies. The Insurance Act, among other matters, prescribes content of policies and defines insurable interest and the Company believes it offers maximum flexibility for the life insured's and provides for the efficient administration of policies including payment of death benefits.

As one of the world's leading offshore financial jurisdictions, and with 75% of the world's Fortune 100 companies operating within the coun-

try, Bermuda brings our international clients much greater scope of tax efficiency. Compared to Bermuda, no other country in the world has a higher percentage of actuaries, accountants or underwriters among its population. This combination of large pool of capital and intellectual property eventually made Bermuda a powerhouse in the insurance sector. With the large number of international companies having their head offices in Bermuda, the island has become a major player in insurance and re-insurance sector globally, third only to London and New York.

## Business environment

The Government's openness and accessibility to the industry means that commercial objectives can be achieved very quickly. All companies are subject to well-established and recognised vetting procedures that are strictly adhered to by the Bermuda Monetary Authority (BMA), the Island's primary regulatory body. Bermuda's first-class accounting, banking, financial, telecommunications, e-commerce and information technology organisations provide first-rate support for international clients. The legal system is based on English common law. They have ample and effective public legislation, and preserved the right of clients

to petition the Bermuda Parliament for the enactment of special legislation in favour of client companies or groups. Bermuda has a Commercial Court for the resolution of commercial disputes, and a Court of Appeal that sits on several occasions annually. There is a final right of appeal to the Judicial Committee of the Privy Council in the United Kingdom. A progressive regulatory system provides effective regulation, allowing businesses to flourish while maintaining Bermuda's standing among the international regulatory and supervisory community as a prudent and credible regulator.

## Tax efficient growth

Our policies benefit from the tax efficient treatment enjoyed by offshore bonds issued in Bermuda. As a Custodian Life investor, all your investments are held within a single investment bond, allowing you the freedom to switch investments at any time without having to worry about immediate tax charges (apart from any withholding tax that may be deducted at source on income arising from investments held in some countries, that cannot be reclaimed by us).

You should, however, remember that you may have a personal liability to tax, depending on the tax regime in your country of residence. Under such circumstances, we may not be able to provide you with individual tax advice. We would always recommend that you speak to your financial adviser or tax professional about your tax situation before applying for, or taking action on, your Custodian Life policy.

## Supervision, regulation, and policy holder protection

The Company is under supervision of the Insurance Department within the Bermuda Monetary Authority. The Insurance Department is also responsible for the regulation and inspection of Bermuda's insurance companies and for licensing of all insurance companies.

We are registered under the Insurance Act 1978, the legal framework for insurance regulation in Bermuda and applies to any person carrying on insurance business in or from within Bermuda. The Act provides the Authority with substantive licensing and intervention powers. We are also registered under the Segregated Accounts Companies Act 2000. The SAC Act provides that any company, to which the Companies Act applies,

may apply to operate segregated accounts enjoying statutory divisions between accounts. The effect of such statutory division is to protect the assets of one account from the liabilities of other accounts. Thus, the accounts will be self-dependent, with the result that only the assets of a particular account may be applied to the liabilities of that account.

In developing its regime, the Authority seeks foremost to act in the best interests of policyholders and prospective policyholders while facilitating the continued development of a viable, healthy, competitive and innovative insurance industry. This approach has been applied to re-insurance business and captive business in Bermuda for over 20 years. During that period, the Authority has also been assisted in implementing supervision that is both appropriate and effective by the existence of a mature financial market infrastructure, and it has been able to tailor its supervisory approach accordingly.

The Authority is a charter member of the International Association of Insurance Supervisors ("IAIS") and continues to be closely involved with that body in the development of guidelines for global insurance regulation.



## \*CustodianTrader, powered by Saxo

Through our cooperation with Saxo Bank Custodian Life is able to offer our clients Saxo Banks award winning platform within our normal EIB. CustodianTrader provides an offshore life assurance policy that allows you to build an investment portfolio in a tax efficient environment that is dedicated to meeting your needs. It comes with a Multiproduct trading platform, CustodianTrader, to provide a trading environment complete with prices, market analysis, data and news modules, technical analysis and charting functions.

CustodianTrader combines a secure environment with quick execution and a large choice of trading modules. CustodianTrader allows clients make trading decisions with real-time execution. Easily downloadable, CustodianTrader enables trading across multiple asset classes, all from a single account.



# CustodianTrader – the award winning platform\*

## Trading products:

<b>Stocks</b> 19 000 Stocks (36 exchanges) 3 101 ETFs 200 ETCs	<b>CFDs</b> 8 840 Single Stock CFDs (36 exchanges) 29 Index-tracking CFDs 20 Commodity CFDs CFDs on ETFs CFDs on FX	<b>Futures</b> 200 Contract Futures (29 exchanges) 75 Contract Options (18 exchanges) Index Options
<b>FX</b> FX (182 crosses) FX Options (40 crosses) FX Forwards		<b>Bonds</b> 7 000 Bonds

All of the trading products mentioned above may not be available through CustodianTrader.

Clear vision and strength, comes from a clear and simple understanding

## The Exclusive Investment Bond

One of life's great satisfactions is financial security and peace of mind. We know that fulfilling those aspirations can be challenging. As an investor, deciding what product to choose, which investments to opt for, and who should manage those investments are decisions that are critical to achieving your financial objectives. Today there is an answer. The Exclusive Investment Bond (EIB).

EIB is an offshore life assurance policy that allows you to build an investment portfolio in a tax efficient environment that is dedicated to meeting your needs. You may be an individual, a trustee or even a company, and as long as you meet our availability criteria, we should be able to accept your application. EIB is designed to provide you with a truly flexible solution.

### It's simple, one product, with 100% control and flexibility

The Exclusive Investment Bond allows you to invest in an almost unlimited array of investments. EIB not only offers access to standard pooled investments such as unit trusts, but also more specialised investments such as hedge funds, FX, commodities, CFDs, ETFs and company shares, listed or non-listed.

There is no restriction on the number of investments you can choose for your EIB policy, making it easy to combine the expertise of the world's best investment managers.

Investment managers specialise in different market sectors and individual regions, allowing them to deliver the performance that matches your objectives.

### A product that adapts around you

EIB is designed to be held over the medium to long term. As it is a life

assurance policy there is no constraint on the length of time EIB may be held, subject to there being a surviving life assured. You just never know what is around the corner, and you may well find yourself requiring access to your money held within EIB, perhaps for a special occasion. In these situations, you can rest easy knowing that you can conveniently access your EIB policy by taking a cash withdrawal.

As an investor in EIB, you will be relieved of the everyday burdens associated with running a directly held investment portfolio. You will have the comfort of knowing that, regardless of how many different investments you hold within EIB, you will have access to online consolidated valuation statements at our website at any time. This makes keeping track of your investments within EIB simple, straightforward and accessible from wherever you might be in the world.

### Freedom to choose is power, power is what you can control

EIB is fully open-architecture and investors are able to access any investments acceptable to us. The beauty of this is that you can choose investments with varied geographic focus. You can also choose investments with a specific sector focus such as financial, healthcare, energy or telecommunications, to name just a few. Above all you have the freedom to choose what you want, when you want. Whether bespoke, boutique, world renowned, they are all available to you through EIB.

By choosing different combinations of investments, you are in control of the level of risk and potential returns you can expect from your EIB policy. If you need additional help to manage the investments within your EIB policy, you can appoint a dedicated investment adviser or discretionary manager. As your needs change, EIB can change with you. Your portfolio is likely to comprise of differing investments as your objectives and risk profile alter over time.

## EIB features

### Purpose

The Exclusive Investment Bond has been designed to allow cash sum and/ or any existing acceptable investments you may hold to be invested in a way that is tax efficient and offers the potential for growth, over the medium to long term.

### Policy type

EIB is set up as a life assurance policy (meaning that the policy continues until the death of the last life assured). It can be written on the following bases:

**Single life** – There is only one life assured and when he/she dies the EIB policy comes to an end.

**Joint life last death** – There can be up to 6 lives assured and the EIB policy comes to an end when the last life assured dies.

### Availability

EIB is available to individuals, companies and trustees, as long as they are within the age ranges (shown in the table below). Some restrictions will also apply to certain countries, please contact us if you are in any doubt.

	Policyholder	Life Assured
Minimum age	18 years	3 months
Maximum age	No maximum	85 years*

\* For the youngest life assured

We believe the true value of money lies in what you do with it

## Policy currencies

As an offshore investor we appreciate that you may require the flexibility to hold EIB in a currency that suits you. For that reason, EIB is available in a choice of 7 different policy currencies. These are euro (EUR), pounds sterling (GBP), Norwegian krona (NOK), Swedish krona (SEK) and US dollar (USD) Australian dollars (AUD) Swiss franc (CHF). If you would like to set up your EIB in a currency other than the above, your financial adviser will let you know if at all possible. Policy fees will be taken in your chosen currency and your EIB valuation statement will be provided in the policy currency.

However, premiums can be paid in, or investments transferred to EIB, in any freely convertible currency. In addition, the investments linked to your EIB policy can be denominated in any major currency. We will take care of all currency transactions (exchange charges will be passed on to your policy) where necessary.

## Premiums

There are set minimum amounts that you can invest into EIB, these depend on the policy currency (shown in the table below). There are no maximum limits.

Currency	Initial premium	Additional premiums
EUR	25,000	10,000
GBP	20,000	10,000
NOK	175,000	50,000
SEK	200,000	50,000
USD	30,000	10,000
AUD	40,000	15,000
CHF	30,000	10,000

Additional premiums can be paid into EIB at any time. Additional premiums can be set up with different charging structure using different establishment periods and allocation rates in comparison to an initial premium.

## Investment transfers

We can transfer investments (subject to them being acceptable to us) directly into an EIB policy. To do this we require your permission to transfer investments. When we possess all of the necessary documentation we will transfer investments as required. An administration fee of USD 45 is charged per each investment transferred, plus any custodian charges. You should discuss potential transfers with your financial adviser.

## Investment exchange

We can sell existing investments such as stocks and use the proceeds to fund an EIB policy. To do this we require permission to sell investments. When we possess all of the necessary documentation we will sell investments as required. An administration fee of USD 45 is charged per

each investment sold, plus any custodian charges. You should discuss potential investment exchanges with your financial adviser as you may be taxed on any gains made when investments are sold.

## Cash account

Each EIB policy has its own cash account. Any initial premium and investment exchange value is paid into the cash account before being linked to your chosen investments. The fees associated with EIB are taken from the cash account and it is also used for taking withdrawals. If investments linked to a EIB policy are sold, the cash proceeds will be paid into the cash account. In the same way, when linking a EIB policy to a new investment, the amount available in the cash account will be used to do this.

It is important that a positive cash balance is maintained in the cash

account to cover any fees and withdrawals. A minimum of 3% of the policy value must be retained in the cash account throughout the life of the policy. It is the responsibility of you and/or your adviser to maintain the EIB cash account.

If the cash account has a negative balance we may, at any time, clear the balance by selling investments to which the policy is linked. Credit interest may be paid on positive balances and debit interest will be charged on negative balances. For current credit and debit rates on the EIB cash account, please contact us.

## Valuations

You and your financial adviser access details of your policy online on our website at any time.

## Discretionary management

A discretionary manager can be appointed to EIB policies.

A discretionary manager, where appointed, is responsible for buying and selling investments linked to your EIB policy. Discretionary managers will charge their own fees for doing so.

For more details about what a discretionary manager can do please refer to the Guide to Investment section.

## Surrenders

An EIB policy can be fully surrendered at any time, simply by returning the policy documents, including any endorsements, to our Support and Administration office along with a completed Surrender Form.

Depending on the combination of charging elements used the policy may be subject to early surrender fees if you surrender before the end of the establishment period.

## Withdrawals

One-off or regular withdrawals can be taken from EIB at any time. The table below shows the minimum acceptable one-off withdrawals, regular withdrawals and minimum EIB policy values after a withdrawal.

Currency	One-off withdrawal	Regular withdrawal	Minimum policy value*
EUR	1,000	500	10,000
GBP	1,000	500	10,000
NOK	10,000	5,000	50,000
SEK	10,000	5,000	50,000
USD	1,000	500	10,000
AUD	1,500	750	15,000
CHF	1,000	500	10,000

\* The minimum policy value must not drop below the figure shown or 15% of the premiums paid to date, whichever is the higher.

Strength, agility  
and flexibility  
are essential  
ingredients in  
a successful  
investment



It's only when  
order is clearly  
and openly  
planned that  
benefits return

## Benefits

### Benefit on death

On receiving written notification at our Support and Administration office of the death of the last life assured on a EIB policy, we will:

- Stop all regular withdrawals and any other actions due to take place
- Sell all of your linked investments and add the sale amounts to the cash account
- Calculate the final death benefit of the policy. We will only pay out the death benefit when we have received proof of:
  - The death of the last life assured
  - That you, your estate or someone else has the legal right ("probate") to the policy benefits

We will not pay out the death benefit until we have sold all linked investments and the sale amounts have been added to the cash account. We must also receive the Policy Schedule and any additional Endorsements at our support and administration office, before will pay out the death benefit.

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## Taxation

Our policies benefit from the tax efficient treatment enjoyed by offshore bonds issued in Bermuda. Therefore any growth or income earned in your policy is not taxed. As a Custodian Life investor, all your investments are held within a single investment bond, so you have the freedom to switch investments at any time without having to worry about an immediate tax charge (apart from any withholding tax that may be deducted at source on income arising from investments held in some countries, that cannot be reclaimed by us).

You should remember that you may have a personal liability to tax, depending on the tax regime in your country of residence and we are unable to provide you with individual tax advice. We would always recommend that you speak to your financial adviser or tax professional about your tax situation before applying for, or taking action on, your EIB policy.

# Charging structure

## Main elements

There are two main elements that will affect the charging structure:

- The establishment period you choose for your policy and initial premium. Additional premiums can be set up with different establishment periods in comparison to an initial premium
- The allocation rate, which is the percentage of your premium that should be available for investing. This could be below or equal to 100%.

Depending on your EIB policy setup, different charges will apply.

## Establishment fee

This is a fee that is taken up-front or over a set period of time (the chosen establishment period) the chosen establishment period, or in combination, as a percentage of your premium. The establishment fee you pay over the establishment period will include an interest and will be amortized over the establishment period.

## Annual management charge

An annual management charge is taken over the lifetime of the policy. During the establishment period this charge is taken as a percentage of the policy value exceeding your premium. When the establishment period is due this charge is taken on your policy value.

## Flat policy fee

In addition to the establishment fee and the annual management charge there is also a flat policy fee. This is a fixed amount that may change in the future. It is taken from the cash account on the quarterly anniversary of the policy start date. The fee continues to be taken until the policy comes to an end.

The elements making your final charging structure will be detailed in your policy schedule. Your financial adviser can provide details before you make your application.

## Additional fees

Transaction charge- a transaction charge of USD 45 (or currency equivalent) will apply to each transaction in your EIB policy (shown in the following table).

Currency	Charge
EUR	35
GBP	30
NOK	275
SEK	300
USD	45
AUD	60
CHF	45

**Investment fees:** the investment fees applied will depend on the investments to which your EIB policy is linked. Fees can include, but are not limited to, initial and annual management charges, performance fees and exit fees. Fees are determined by the investment manager. Where a discretionary manager has been appointed to your policy, our institutional discounts will not apply. You should ask your discretionary manager about expected investment fees.

**Custodian fees:** these are charged to cover the costs of safekeeping records relating to linked investments. Custodian fees can vary in cost depending on the type of investment; however, to keep charges clear under EIB we charge a flat fee of USD45 (or currency equivalent) per each security held in your EIB. Where a discretionary manager has been appointed to your policy, our custodian fee will not apply. You should ask your discretionary manager about their custodian's fees.

**Stockbroker fees:** where a chosen linked investment requires, it may be necessary to buy or sell the investment through a stockbroker, any fees will be

# EIB withdrawals and surrenders

## Withdrawals

One-off or regular withdrawals can be taken from EIB at any time. The table below shows the minimum acceptable one-off withdrawals, regular withdrawals and minimum EIB policy values after a withdrawal.

One-off withdrawals can be paid in any easily exchanged currency. Regular withdrawals will be paid in the EIB policy currency and can be taken monthly, quarterly, halfyearly or yearly. Regular withdrawals can be set up when you apply for a EIB policy or be requested at a later date.

Currency	Withdrawal	Withdrawal	Policy value*
EUR	1,000	500	10,000
GBP	1,000	500	10,000
NOK	10,000	5,000	50,000
SEK	10,000	5,000	50,000
USD	1,000	500	10,000
AUD	1,500	750	15,000
CHF	1,000	500	10,000

\* the minimum policy value must not drop below the figure shown or 15% of the premiums paid to date, whichever is the higher

## Surrenders

A EIB policy can be fully surrendered at any time, simply by returning the policy documents, including any endorsements, to our Support and Administration office along with a completed Surrender Form. On receiving notification at our Support and Administration office of a request to surrender a EIB policy, we will:


- stop all regular withdrawals and any other actions due to take place
- sell all of your linked investments and add the sale amounts to the cash account
- calculate the final surrender value of the policy. Depending on the combination of charging elements used the policy may be subject to early surrender fees if you surrender before the end of the Establishment period.

deducted from the EIB cash account. The current stockbroker fees are available from us on request. Where a discretionary manager has been appointed to your policy our stockbroker fees will not apply. You should ask your discretionary manager about their stockbroker's fees.

**Advice fee:** if you choose to appoint an investment adviser, their fees can be paid directly from the EIB cash account. An investment adviser fee up to 1% of the policy value, payable quarterly, can be requested. The amount available may be lower than this depending on other charges taken.

**Discretionary manager fees:** if you choose to appoint a discretionary manager to manage the investments linked to your EIB policy their fees will be deducted at source. Discretionary managers may also have to pay custodian and stockbroker fees for some investments.

**Foreign exchange:** Where we are required to perform a foreign exchange (FX) transaction, this will be done at a rate determined by us, based on those commercially available in the market.



Freedom to choose is power and great power lies in what you can control

Finding a solution that suits you, can at times, seem daunting without strong advice

## Investment guidelines

We understand that it is crucial for you to choose the right type of investments in order to achieve your financial goals. EIB offers solutions designed to help you manage your long-term wealth as well as providing Customised investment solutions.

You can choose investments yourself or, if you do not have an in-depth knowledge of the investment world, you can bring in some help. EIB allows you to appoint an investment adviser or discretionary manager to advise on, or manage your investment.

These guidelines aim to explain in more detail the different types of investment opportunities that are available to you through your EIB policy. It also details some of the potential benefits and risks that you might experience when investing. These guidelines do not aim to provide you with a current list of investments available through EIB. Acceptable investments change on a regular basis with some being added and others being removed.

For information about our dealing processes and procedures please refer to our Dealing Instruction form or contact our Support and Administration office via any of the methods detailed at the back of this brochure. Before applying for EIB you should consult your financial adviser and also read the literature suite in full. You may request a copy of the EIB Terms and Conditions at any time.

### Hedge funds, traded endowment funds, non-listed shares, property, and traded life policy funds

We will consider these investments on an individual basis.

### Experienced, professional, qualified and sophisticated investor funds

We will consider these investments on an individual basis. Where we make such funds available, you will usually be required to complete further documentation prior to any dealing instructions being placed.

### CustodianTrader

Custodian Life is happy to be in cooperation with Saxo Bank as the mutual view on distributing products and services are the same.

Saxo Bank will contribute adding a Multiproduct trading platform, directly available for Custodian Life's clients. CustodianTrader provide a trading environment complete with prices, market analysis, data and news modules, technical analysis and charting functions.

### Key CustodianTrader Features

- Access to a complete product range – 160+ FX crosses (incl. Spot Gold/ Silver), 8600+ CFDs, 22 Index-tracking CFDs, ETFs, Stocks from 30 exchanges, and Future contracts
- Excellent liquidity, one-click trading for fast execution, and a full range of trade orders ensures that you remain in control of your account

### All other types of investments

We will consider other investments on a case-by-case basis, subject to them being acceptable to us and compliant with any regulations that may apply.

### Appointing an investment adviser

Whilst your financial adviser may be able to provide a complete financial strategy for you, an investment adviser will usually only concentrate on the investments within your EIB policy. In some cases your financial adviser may also be able to act as your investment adviser.

Usually an investment adviser will provide you with a number of investment recommendations that you can discuss and come to a mutual agreement on. Under your EIB policy, an investment adviser can be discretionary or nondiscretionary. An investment adviser operating on a discretionary basis will be allowed to place dealing instructions on your behalf. An investment adviser operating on a nondiscretionary basis cannot place dealing instructions on your behalf until they have consulted you first. It is important that you discuss this with an investment adviser, so you can decide what is the best option for you.

An investment adviser is appointed by you and therefore it is your responsibility to pay any fees associated with the advice taken. You can authorise us to make payments from your EIB policy to pay an investment adviser. If you appoint an investment adviser, we will continue to retain custody and dealing responsibilities for the investments held within your EIB policy.

If you wish to appoint an investment adviser you will need to complete our Investment Adviser Appointment Form. You can do this at the start of your policy along with your application or appoint an investment adviser at a later date.

### Appointing a discretionary manager

Discretionary management is becoming increasingly popular, especially if you are looking for professional investment advice but without the requirement to be involved in the day-to-day management. Your financial adviser can work with you initially to identify your attitude to risk and investment profile, and then suggest a suitable discretionary manager whose investment style is aligned to your profile. The discretionary manager will then make investment decisions on your behalf, according to your agreed strategy. You should continue to meet with your financial adviser on a regular basis to discuss any changes in your circumstances that could affect your investment profile. Discretionary management allows your chosen manager to move quickly and take advantage of arising opportunities, when time scales can be demanding. This means greater potential for investment gains. Depending on your chosen discretionary manager, dealing fees and investment manager charges may vary from ours. This is because your discretionary manager will retain custody and dealing responsibilities for the investments linked to your EIB policy. In some cases a discretionary manager will require an initial investment that is higher than the minimum amounts as detailed in The Facts. Full details of your discretionary managers charges and minimum investment level should be obtained through your financial adviser. If you wish to appoint a discretionary manager you will need to complete a Discretionary Manager Appointment Form. You can do this at the start of your policy along with your application or appoint a discretionary manager at a later date.



## Banking partners

### Saxo Bank

Saxo Bank is incorporated in Denmark as a licensed bank and is regulated by the Danish Financial Supervisory Authority. Saxo Bank is a leading online trading and investment specialist, supporting an international client base from their headquarters in Copenhagen and offices across Europe, Asia, the Middle East, Latin America and Australia. As a fully licensed and regulated European bank, Saxo Bank offers private investors and institutional clients a complete set of tools for implementing their trading and investment strategies. Through Saxo Bank's suite of online trading platforms clients can access the world's major financial markets from any location and trade a broad range of financial products, including Forex, FX Options, Stocks, CFDs, Futures, Contract Options and ETFs, all from a single account. Advanced trading tools, reliable live prices, fast trading executions and ease of use have made Saxo Bank's platforms important business tools for traders and investors in over 180 countries, as well as banks, brokerages and other financial institutions.

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### Bank Julius Baer

The Julius Baer Group is the leading Swiss private banking group. Bank Julius Baer is the principal operating company of the Julius Baer Group, with origins dating back to 1890. The rich Swiss heritage becomes manifest in the values for which the Bank stands, namely: trustworthiness, accountability and expertise.

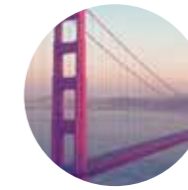
Custodian Life is using Julius Baer's suit of banking services for the worldwide execution of our exchange business with a wide range of services and customtailored solutions as well as administration and safekeeping of our securities. As a client of Julius Baer, we also benefit from their excellent network of contacts with carefully selected sub-custodians and clearing houses.

Using Julius Baer's online e-banking, Baer@Online, services which are based on the high security standards adopted by the banking industry, guarantees comprehensive data and transaction security when processing our banking transactions.

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### Bank of Butterfield

In 1858 Butterfield was established as a private bank in Bermuda. Today the Butterfield Group offers a full range of community banking services in Bermuda and the Cayman Islands, encompassing retail and corporate banking and treasury activities. Butterfield also provides private banking, asset management and personal trust services from its headquarters in Bermuda and subsidiary offices in the Cayman Islands, Guernsey, and the United Kingdom. In Switzerland and the Bahamas, Butterfield provides personal trust and company services. The Butterfield group is a widely-held, publicly traded corporation with shares listed on the Bermuda stock exchange. 21



## Applying for EIB

By choosing Custodian Life and EIB, you will be investing through a company that is dedicated to serve, be the best caretaker, the best guardian, and the best keeper and protector we can be for our policyholders. Our staff is trained and well educated in order to give our clients and financial advisers efficient and professional service.

To apply, just follow the 4 simple steps below

# 1

As long as you are over the age of 18, have a minimum premium of USD 30,000 (or currency equivalent as shown in The Facts) and are resident in an acceptable country, you can apply for EIB.

# 2

Read the EIB literature suite in full and discuss it in detail with your financial adviser. If required your financial adviser can request a Personal Illustration.

# 3

Complete the appropriate EIB Application and arrange for your initial premium to be sent to us via an appropriate method as detailed in the Application Form. Your financial adviser will also need to sign the application form before sending it to our Support and Administration office (email address provided on the back of this Brochure).

# 4

Once we have all the necessary documentation we will confirm your successful application by issuing the Policy.

Features such as the appointment of an investment adviser or discretionary manager will require your signature on some additional forms. The checklist in our application will indicate the additional forms that you need to complete. 25

# Questions and answers

## Q What is EIB?

A EIB is an offshore bond that is designed to allow a cash sum to be linked to a wide range of investments (you may also transfer in any existing acceptable investments that you hold) in a way that is tax efficient and offers the potential for growth, over the medium to long term. EIB is only available as a life assurance policy and it has no fixed term. This means that it continues until the death of the last life assured.

## Q How can I set up my EIB policy?

A EIB has been designed with a charging structure that can be tailored to best suit your needs. There are 2 main elements that will affect the charging structure:

- Establishment period
- Allocation rate

## Q What might I get back?

A What you get back will depend on your initial premium and any additional premiums, the performance of your chosen investments over the lifetime of your policy, our charges and any withdrawals you may take.

## Q Can I take money out?

A Yes, there are a number of ways you can take money out of your policy. We have set some minimum amounts that you can take and you must leave a minimum overall amount in your policy. These are detailed in The Facts section.

### Regular withdrawals

You can take regular withdrawals from your EIB policy at any time.

Regular withdrawals will be paid in your EIB policy currency and can be paid:

- Monthly
- Quarterly
- Half-yearly
- Yearly

Regular withdrawals can be set up when you apply for your EIB policy or can be requested at a later date.

### One-off withdrawals

One-off withdrawals can be paid in any easily exchanged currency.

Policy surrenders If you wish to fully surrender your EIB policy you can do so at any time, simply by returning your policy documents to our office address along with a completed

### Surrender Form

Depending on your chosen charging structure your policy may be subject to an early surrender fee if you surrender before the end of the establishment period.

## Q What can I invest into?

A You can link the value of your EIB policy to a wide range of different investments. EIB policyholders can choose any investments acceptable to us. The Investment Guidelines provide more details about the different types of investments you can choose from.

The guideline also includes details about the benefits of investing through us, how to appoint a professional to help you with investment decisions, some of the restrictions placed on investments, how we review investments and the risks of investment.

## Q What happens to my policy when I die?

A When the last life assured dies, your EIB policy will end. We will then require written notification of death along with satisfactory documentation (legal entitlement - "probate") to be sent to our Support and Administration office, before we can pay out. The amount paid out will be 101% of the encashment value.

## Q What are the charges?

A You can tailor elements of the EIB charging structure to best suit your needs. There are 2 main elements that will affect the charging structure:

- Establishment period
- Allocation rate

Each premium paid into your EIB policy will have its own set of charges.

In addition we charge a flat policy fee.

You may add an advice fee (subject to a maximum amount) should you wish to pay a professional (such as an investment adviser or discretionary manager) to help you with investment decisions.

A transaction charge applies when you buy or sell an investment, a custodian fee also applies. Depending on your choice of linked investments, it may be necessary to buy the investment through a stockbroker; if so, an additional stockbroker fee will apply. All of the charges are detailed and explained in this brochure. We may alter our charges if our costs change unexpectedly. We will notify you 3 months in advance of any changes in-line with the Terms and Conditions.

## Q What about tax?

A Custodian Life is subject to Bermuda tax laws. Therefore, any growth or income earned in your policy is not taxed. However, withholding tax may be deducted at source on income arising from investments held in some countries, which cannot be reclaimed by us.

You may have a personal liability to tax depending on the tax laws in your country of residence and your own personal circumstances. Tax implications should be discussed with your specialist adviser.

## Q Can I change my mind?

A After your policy has been issued and you have received your policy document, you will also receive a notice telling you about your right to change your mind and how to cancel. You will have 30 days to cancel your policy. If you decide to cancel, we will give you your money back less any charges taken in respect of dealing transactions. If however, in the meantime, the value of investments linked to your policy falls, then you will not get back the full amount you paid in.

## Q How will I know how my bond is doing?

A You will access valuations online at our website at any time. Details of how to do this will be sent to you after your policy has started.

# Investment risks

No matter which investments you choose for your EIB policy, there are a number of common risks that you should be aware of.

- The value of your policy can go down as well as up depending on the investments it is linked to, and you may not get back your premium(s) paid. We are not responsible for, and will not compensate you in relation to, the performance of your chosen linked investments.
- The value of investments can go down as well as up purely because of exchange rates. This may happen when investments are valued in a currency other than your policy currency.
- The past performance of an investment may not be repeated, therefore it must not be used as a guide to future performance.
- Not all investments carry the same level of risk. Your financial adviser or appointed investment adviser can help guide you as to which investments are suitable to meet your risk profile. If you choose a high risk investment you should accept that you might be more likely to lose the entire amount invested.
- Some investments may only deal on a weekly, monthly or quarterly basis. If this is the case, it could delay the sale or purchase of an investment.
- If we sell an investment and receive its cash value in multiple instalments, we cannot re-invest or pay in full, the benefits from your policy, until the full cash value has been received.

- When we need to sell investments in your policy the investment manager may impose a minimum sale amount. This could result in a larger amount of cash being held in the EIB cash account than would otherwise be invested. Any minimum sale amount should be detailed by the investment manager in the investment documentation.
- If you link your policy to a property based investment fund, you should be aware that property can be difficult to sell, therefore we might not be able to sell your investment as quickly as you would like us to.
- The investments linked to your policy are owned by us, and in most cases, as we are a corporate investor, they will not be eligible for compensation under investment compensation schemes.
- If you link your policy to a cash deposit account your investment may not be covered in full by any depositor's compensation scheme, should the deposit account provider become insolvent. This is because you are not the owner of the account(s) linked to your policy, we are. Therefore the amount (if any) which we recover under any scheme could be substantially less than the amount you might have been able to recover had you owned the cash deposit account(s) yourself.
- We are not responsible for the performance of your linked investments and we will not pay any compensation to you should they fall in value, or have no value at all. Where the provider of an investment linked to your policy becomes insolvent or is unable to meet its liabilities for any reason, your policy will suffer the loss.

# Important notes

## General

This Brochure has been designed to provide a basic understanding of the investment opportunities available through the Exclusive Investment Bond (EIB). It is not designed to provide investment advice or a recommendation to use a particular investment or investment manager.

Custodian Life is registered under Insurance Act 1978 as a insurance company. Custodian Life is also registered under the Segregated Account Companies Act 2000 for the purpose of ensuring that each policyholder's assets are insulated from those of other policyholders' and are protected against an insolvency of any other policyholder's segregated account or of the Company itself.

The information in this Brochure is based on our understanding of Bermuda legislation as at November 2015.

Whilst every care has been taken in producing this document, we cannot accept responsibility for our interpretation or any subsequent changes to legislation. This document is not intended as a substitute for legal or tax advice.

## How to complain

If you wish to complain about any aspect of your policy please consult your financial adviser or write to our complaints department, [complaints@custodianlife.com](mailto:complaints@custodianlife.com).

Complaints about our products or service will be dealt with in accordance with our Complaints Procedure, a copy of which is available on request.

## Terms and conditions

This Brochure gives you a summary of the main points to consider before investing in EIB. The EIB Terms and Conditions can be provided to you by your financial adviser and can be requested at any time.

The Terms and Conditions are part of the contract between you and Custodian Life Limited. The contract is governed by the following documents:

1. your Application Form
2. This Brochure
3. The Terms and Conditions
4. Your policy schedule
5. Any endorsements to your policy schedule and any other document that evidences a change in the contract between you and Custodian Life Limited.

If we need to make any changes to the EIB Terms and Conditions we notify you in advance.

## Law and language

EIB is governed by the law of Bermuda. We will always write and speak to you in English.



**Support & Administration**

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**CUSTODIAN LIFE.**