

Allied Dunbar International Fund Managers Limited

At a glance guide to personal UK taxation

Funds distributor status

Allied Dunbar International Funds Managers (ADIFM) are certified as distributor funds. This requires that at least 85% of all income received by the funds are distributed as dividends.

The effect of the designation is that any gains made upon redemption or switching of holdings are chargeable to capital gains tax rather than income tax.

The fund manager must apply annually in arrears to have the funds certified as 'distributor'. Whilst this certification is not guaranteed ADIFM have been certified as distributor funds every year since they were launched in 1984.

Gross roll up

ADIFM is registered in the Isle of Man and is therefore not liable to UK taxation. The result of this is that the funds grow free of UK income, capital gains and corporation tax. The incidence of tax within these funds is restricted to small amounts of unreclaimable withholding tax, deducted at source in the country of origin of the underlying investments.

Income tax (IT)

All dividends distributed by ADIFM are paid gross i.e. there is no deduction of UK income

tax at source. Any UK resident who receives dividends from ADIFM, whether they are taken as a cash dividend or re-invested for further shares, will be liable to UK income tax on the value of the dividend at their highest rate.

Capital gains tax - domicile

A UK domiciled individual who is either resident or UK ordinarily resident for the tax year in which relevant disposals take place will potentially be liable to a CGT charge.

A non-UK domiciled individual who is resident or ordinarily resident in the UK may be able to have their income and capital gains taxed on a remittance basis. This means that they will only be charged to CGT to the extent of gains made on UK assets or gains made on non-UK assets, such as ADIFM holdings, where proceeds are remitted to the UK. Individuals should speak to their relevant financial professional to discuss whether or not they can claim for the remittance basis to apply or whether they should elect to be taxed on a remittance basis.

Calculation of gains

In its simplest form the gain is the difference between the cost of the asset and proceeds of the sale of the asset.

Each UK resident individual has an annual CGT exemption. For the tax year 2008/2009 this exemption is GBP9,600.

Issued by Allied Dunbar International Fund Managers Limited which is a provider of investment funds and licensed to conduct investment business by the Isle of Man Government Financial Supervision Commission. Registered in the Isle of Man number 23846C. Registered office: 43-51 Athol Street, Douglas, Isle of Man, IM99 1ET, British Isles.

Telephone: 01624 661551 Fax: 01624 691599

A member of the Zurich group.

Approved by Zurich International Solutions Limited, UK Life Centre, Station Road, Swindon, Wiltshire, SN1 1EL, United Kingdom.

Zurich International Solutions Limited is authorised and regulated by the Financial Services Authority for the purpose of promotion of the products offered by Allied Dunbar International Fund Managers Limited into the United Kingdom. Other rules of the Financial Services Authority may not apply to Allied Dunbar International Fund Managers Limited as a non-UK fund manager.

The rules and regulations made by the Financial Services Authority and made under the Financial Services and Markets act 2000 may not apply to clients.

MSP(D)550 (11/08)



From the 2008/2009 tax year, capital gains are taxed at a single rate of 18% of gains in excess of the annual exemption.

fall within a UK domiciled persons estate for IHT purposes.
Source: Zurich International Life, 28.08.08

Inheritance tax (IHT)

UK IHT is levied at death on a UK domiciled person's estate (world-wide assets) and certain transfers of assets they have made in their lifetime. Investments in ADIFM will therefore

Important information

For full details of the Allied Dunbar International Fund Managers Limited products, please refer to the product brochure and the plan terms and conditions, copies of which are available on request.

Allied Dunbar International Fund Managers Limited is licensed to conduct Investment Business by Financial Supervision Commission on the Isle of Man.

Holders of plans issued by Allied Dunbar International Fund Managers Limited will be protected by the Isle of Man's Authorised Collective Investment Schemes (Compensation) Regulations 1988. Policyholders will not be protected by the UK Financial Services Compensation Scheme.

The tax and legislative information contained in this document is based on Allied Dunbar International Fund Manager Limited's understanding as of September 2008 and may change in the future. Allied Dunbar International Fund Manager Limited is unable to provide individual tax guidance and recommend that you always seek professional tax advice.

The value of tax benefits depends on individual circumstances and can change

Allied Dunbar International Fund Managers Limited does not accept responsibility for any actions or inaction resulting from this document.

This information is only a summary and may be subject to change without notice. It was obtained from what we believe to be reliable sources. However, its accuracy and completeness cannot be guaranteed. Neither Allied Dunbar International Fund Managers Limited nor any associated companies or representatives, can accept responsibility for any errors or omissions.

The rules and regulations made by the Financial Services Authority and made under the Financial Services and Markets Act may not apply to clients outside the United Kingdom.

Calls may be recorded for training and quality purposes.

Issued by Allied Dunbar International Fund Managers Limited which is a provider of investment funds and licensed to conduct investment business by the Isle of Man Government Financial Supervision Commission. Registered in the Isle of Man number 23846C. Registered office: 43-51 Athol Street, Douglas, Isle of Man, IM99 1ET, British Isles.
Telephone: 01624 661551 Fax: 01624 691599

A member of the Zurich group.

Approved by Zurich International Solutions Limited, UK Life Centre, Station Road, Swindon, Wiltshire, SN1 1EL, United Kingdom.

Zurich International Solutions Limited is authorised and regulated by the Financial Services Authority for the purpose of promotion of the products offered by Allied Dunbar International Fund Managers Limited into the United Kingdom. Other rules of the Financial Services Authority may not apply to Allied Dunbar International Fund Managers Limited as a non-UK fund manager.

The rules and regulations made by the Financial Services Authority and made under the Financial Services and Markets act 2000 may not apply to clients.

MSP(D)550 (11/08)

