WEALTH PRESERVATION TRUST

utmost
WEALTH SOLUTIONS

PRODUCT FEATURES
UNITED KINGDOM

Utmost Wealth Solutions is the brand name used by a number of Utmost companies. This item has been issued by Utmost Luxembourg S.A.

UK BROCHURE

This brochure provides a brief guide to the product features of the Wealth Preservation Trust and should be read in conjunction with the personal client illustration provided by your Adviser.

ITS AIMS

- To complement your inheritance tax planning strategy by mitigating your inheritance tax liability.
- To enable the efficient transfer of wealth from you to the trustees and onwards to your intended beneficiaries.
- To provide a tax-efficient investment vehicle for a single lump sum investment.
- To accumulate income and capital gains within the Policy without deduction of tax. Withholding tax may apply to the Underlying Assets in some jurisdictions.
- To provide you with an income stream in the form of partial surrenders. These partial surrenders may, within certain limits, be paid without any immediate tax liability.

YOUR INVESTMENT

- By concluding the contract, you are investing in a unit-linked whole-of-life assurance policy with the Insurer.
- The minimum Premium is stipulated in the Application Form.
- Once you have made your initial investment and chosen the extent and frequency of your partial surrenders, you have no further commitments other than to assign your Policy to the trust.
- There is no maximum period for which your Policy may remain invested, although total surrender of the Policy will not be possible during your lifetime. After assignment of your Policy to the trust, your access to the investment will be limited to the partial surrenders you have elected to receive.

RISKS

As with any investment, there are certain risks to take into account:

- The Wealth Preservation Trust is designed to offer regular payments by way of partial surrenders of the Policy. If the Policy's underlying Portfolio comprises assets of limited liquidity, this will significantly and adversely affect the processing of such payments.
- It is not possible for you or the trustees to change the percentage or frequency of partial surrenders after the Policy has been issued.
- Following assignment of the Policy into trust, your entitlement under the Wealth Preservation Trust is limited to your chosen partial surrenders. No further sums can be withdrawn from the Policy for your benefit.
- While discount figures provided by the Insurer are based on guidance from Her Majesty's Revenue & Customs (HMRC), such figures and their corresponding transfer values for inheritance tax purposes are not guaranteed. HMRC may later impose different figures.
- The Policy should be regarded as a medium to long-term investment. What the trustees receive on termination of the Policy depends on investment performance and is not guaranteed.
- Any growth in the value of the Policy may be less than that stated in the personal client illustration.
- The value of your Policy may fall as well as rise and on termination of the contract the trustees may receive less than the amount invested. Past performance is not necessarily a guide to future investment returns.
- The charges may increase during the lifetime of your Policy.
- The value of your Policy may be affected by currency exchange rate fluctuations and by currency conversion charges.
- If your Policy is linked to assets that are not traditional equities, bonds or investment funds then its value may fluctuate significantly and the realisation of your investment may be delayed. Assets will be sold as quickly as possible to fund payments.
- Holders of policies issued by the Insurer are protected by Luxembourg provisions, including Luxembourg policyholder protection rules. UK resident holders of policies issued by the Insurer will not be protected by the UK Financial Services Compensation Scheme if the Insurer becomes unable to meet its liabilities to them.

  Different compensation arrangements would apply in the event of the failure of your Adviser.

- Any applicable Luxembourg policyholder protection provisions are not a compensation or guarantee scheme.
- Future changes in legislation may affect the tax treatment of your Policy and the trust and may therefore affect the amount that you, the trustees and the trust beneficiaries receive.
- If you cancel your Policy within the thirty-day cancellation period, you may get back less than you invested.
- **The Insurer is not able to give advice so you should consult your Adviser if you are uncertain as to whether this investment is suitable for you.**

QUESTIONS AND ANSWERS

WHAT IS THE WEALTH PRESERVATION TRUST?

- It is a single-premium, unit-linked whole-of-life assurance policy issued by the Insurer and combined with a gift into trust, which is discounted by the value of a retained entitlement to partial surrender proceeds.
- It is intended to increase the value of your investment, mitigate your inheritance tax liability, provide regular payments during its term and pay a benefit on death of the last surviving Life Assured.
- It enables you to select from a range of investment options to suit your particular risk/return profile although you cannot select the particular property underlying the Policy. The Underlying Assets remain the sole property of the Insurer at all times.
- The personal client illustration gives examples of how the investment works.
- You should consider your client illustration together with this product features document.
- Freedom of Services does not apply in relation to the activities of the insurer (or its agents (e.g. any investment manager).

HOW DOES IT WORK?

- You select one or a number of Funds or discretionary investment mandates and your Premium is invested accordingly. The Policyholder may switch between Funds or mandates at any time.
- In the Application Form, you define the percentage and frequency of partial surrenders. This will be your sole entitlement under the Wealth Preservation Trust. The value of your retained entitlement to partial surrender proceeds is used to calculate a discount applicable to the future assignment of the Policy into trust.
- The Insurer issues an estimate of the discount applicable to the assignment of your Policy to the trust. Where there are joint assignors, each assignor will receive a separate discount. However, each partial surrender will take the form of a single payment.
- After issuance of the Policy, you assign the Policy to a trust.
- Prior to your death, partial surrender payments will be made to you via the trust in the manner you establish in the Application Form.
- Wealth Preservation Trust applicants must be younger than 85 years of age.
- Neither you nor any other original Policyholder may be nominated as Life Assured.

WHERE IS YOUR MONEY INVESTED?

The Policy is designed to offer access to a broad range of investment options. These include:

money market funds, UK-quoted investment trusts, UK and EU collective investment schemes such as unit trusts from an approved OECD country and the Insurer's internal unit-linked Funds. Alternative investments such as hedge funds and property funds are also available subject to certain conditions and to acceptance by the Insurer.

More details are available from your Adviser. If you are unsure whether any particular investment may be included in the Portfolio, you should contact your Adviser for further information.

There will be a cash account for the collection of dividends and other forms of liquid investment income. It is from this account that any withdrawals and partial surrenders may be paid and charges may be taken.

IS YOUR INVESTMENT GUARANTEED?

Your investment is not guaranteed and could perform better or worse than the examples in your client illustration. Alternative investments carry particular risks and the Insurer recommends that you obtain independent advice in this respect.

The value of your Policy will depend upon the performance of the Underlying Assets and on whether and to what extent withdrawals and partial surrenders are made.

HOW CAN YOU KEEP TRACK OF YOUR PERFORMANCE?

You can check investment trust and collective investment scheme prices and monitor your investment in a variety of ways:

- Underlying investment trust and collective investment scheme share prices are quoted daily in the Financial Times and certain other newspapers.
- You will be sent an annual valuation statement regarding the Policy's investment holdings and performance.

CAN YOU CASH IN YOUR INVESTMENT?

› You will not be able to encash the Policy once it has been issued.

› You will be entitled to partial surrenders from the Policy in the manner you establish at the outset. The Application Form offers you a choice of partial surrender options. Each option is expressed as a percentage of the initial Premium and represents the maximum value of partial surrenders to be taken in each policy year.

› The Application Form also offers you a choice of partial surrender frequencies. The frequency of the partial surrenders will affect the value of each payment so that payments in any policy year do not exceed your chosen percentage.

› Partial surrenders must be of at least £ 500 and cannot continue beyond your death or the death of the last surviving Life Assured.

› The trustees will be able to withdraw further sums from, and totally surrender, the Policy after your death.

After any withdrawal, the Portfolio Value must not fall below the minimum Premium set out in the Application Form.

The value of the Policy after a withdrawal will be the value of the Underlying Assets at the time less any withdrawal charges.

Regular Withdrawals may be made to the trustees automatically from your Policy after your death. The minimum Regular Withdrawal is £ 500. Whilst there is no maximum, you may wish to consider the tax implication of the amount chosen.

You should remember that the value of your Policy will fall if the level of withdrawals or partial surrenders exceeds the investment growth achieved.

More information is contained in the General Conditions, including the Insurer's ability to limit withdrawals in order to reflect liquidity constraints.

WHAT HAPPENS IF YOU DIE?

› The Policy will continue in force until the death of the last surviving Life Assured at which time the Policy Proceeds will be paid to the trustees.

› The total amount payable on death of the last surviving Life Assured is the Portfolio Value plus an additional Death Benefit equal to one per cent of the Portfolio Value (up to a maximum of £ 5,000). This Death Benefit is applied across all policies under which the same Life Assured triggers a termination/death event.

WHAT ARE THE CHARGES AND EXPENSES?

The charges applicable to your Policy appear in the Schedule of Charges in the Application Form. Your client illustration shows how those charges might affect the value of your Policy.

The expenses of safe custody and the expenses of trading Underlying Assets are borne by the Portfolio, including the cost of purchasing Funds, which may involve a front-end fee. Funds may also be subject to ongoing charges. Charges applicable to External Funds are borne by the Portfolio in addition to the Insurer's charges.

On partial surrender or termination of the Policy within the Initial Period stated in the Application Form an additional charge may be levied. Please see the Schedule of Charges in the Application Form for details of this additional charge.

HOW MUCH WILL THE ADVICE COST?

Your Adviser will give you details regarding cost. The amount will be agreed between you and your Adviser. The Insurer can facilitate the payment of Adviser Charges to your Adviser in accordance with your instructions.

WHERE CAN YOU OBTAIN FURTHER INFORMATION ABOUT THE UNDERLYING FUNDS?

You may request, free of charge, the following information from the Insurer:

1. FOR INTERNAL FUNDS

a. The name of the Internal Fund;

b. The identity of the Fund Manager of the Internal Fund;

c. The Internal Fund type as classified by the CAA;

d. The Internal Fund's investment policy, including any specialisation in particular geographic or economic sectors;

e. An indication as to whether the Internal Fund may invest in hedge funds;

f. Information on the typical investor profile or the investment horizon;

g. The Internal Fund's launch date and, where applicable, its closing date;

h. The Internal Fund's annual historical performance for each of the past five financial years or, failing that, since its launch date;

i. The benchmark to be met by the Internal Fund or, if no specific benchmark can be given, one or more benchmarks against which the performance of the Internal Fund can be measured;

j. The place where information on the separate accounts of the Internal Fund can be obtained or consulted;

k. The procedure for assessing and, where applicable, publishing the Internal Fund's net asset value; and

l. The procedure for redeeming shares.

The Insurer may close Internal Funds or alter their investment strategies. A formal procedure applies in such circumstances and a copy of the procedure appears in the General Conditions.

2. FOR EXTERNAL FUNDS

a. The name of the External Fund and, where applicable, the sub-fund(s);

b. The name of the management company of the External Fund and any sub-fund;

c. The External Fund's investment policy, including any specialisation in particular geographic or economic sectors;

d. Any information in the External Fund's country of origin or, failing that, in the Policyholder's country of residence, on a classification of the External Fund in terms of risk or typical investor profile;

e. The nationality of the External Fund and the body responsible for prudential supervision;

f. Whether or not the External Fund is harmonised with Directive 85/611/EEC, as amended;

g. The External Fund's launch date and, where applicable, its closing date;

h. The External Fund's annual historical performance for each of the past five financial years or, failing that, since its launch date;

i. The place where the prospectus and annual and semiannual reports of the External Fund can be obtained or consulted;

j. The procedure for publishing the External Fund's net asset value; and

k. Restrictions on the redemption of Units in the External Fund.

3. FOR BOTH INTERNAL FUNDS AND EXTERNAL FUNDS

You may request, free of charge and on an annual basis, an updated version of the information set out at 1 and 2 above. Such a request may be submitted on or after the date of publication of the Policy's annual report. In particular, you may ask to be updated as to the latest annual performance of the Policy's underlying Funds.

IMPORTANT INFORMATION

TAXATION

› Under current rules, assignment of the Policy into bare trust will be a potentially exempt transfer for UK inheritance tax purposes. If you live for seven years following the transfer, it will not be subject to inheritance tax under current rules. If you die during this seven-year period, the transfer will become a failed potentially exempt transfer and it will be subject to inheritance tax.

› If on the other hand you are assigning to the flexible trust then the assignment will, under current rules, give rise to an immediate chargeable lifetime transfer although no inheritance tax will be due if its value falls within your available nil rate band. Given that the flexible trust will be within the relevant property regime, it can also attract inheritance tax on each ten-year anniversary of its settlement and on transfers out of the trust.

› The Portfolio will grow free of income and capital gains tax, though withholding tax may apply to the Underlying Assets in some jurisdictions.

› Investment growth will fall outside of your estate for inheritance tax purposes.

› Income tax may be payable in the UK on withdrawals and/or surrender. Tax may also be payable on the death of the last surviving Life Assured.

The precise effect of taxation on the benefits you obtain from the Policy will depend upon your country of residence and/or domicile and upon your individual circumstances and it may change.

The Policy is a medium to long-term investment and rules governing taxation are subject to change. We strongly recommend that you obtain independent tax advice.

This is a summary of the potential tax treatment of the Policy based on the Insurer's understanding of law and taxation practice in the Grand Duchy of Luxembourg and in the UK at the date of going to print of this product features document.

YOUR RIGHT TO CHANGE YOUR MIND

Once your application has been accepted, you will have thirty calendar days following receipt of our cancellation notice in which to change your mind. During this period, you may cancel the Policy by returning the completed cancellation notice to us at the address below.

There is no fee for the cancellation of the Policy. However, please note that if the value of your Policy falls before we make the refund, an amount equal to the fall in value will be deducted from the refund.

COMPLAINTS

We will make every effort to provide you with an excellent service. However, if you have a complaint, you may write to us at the address below.

If we do not deal with your complaint to your satisfaction, you may contact the Commissariat aux Assurances, at 11, rue Robert Stumper, L-2557 Luxembourg, Grand-Duché de Luxembourg.

Please note that making a complaint will not affect your statutory rights.

TERMS AND CONDITIONS

This product features document gives a summary of the product's features. It does not include all the definitions, exclusions, terms and conditions: these are contained in the General Conditions that form the core of the contract between you and the Insurer.

A copy of the General Conditions is available on request from your Adviser or from us at the address below.

LAW

Unless otherwise agreed, the law of the relevant UK jurisdiction where you are resident at the time you sign the Application Form will govern the Policy and the courts of that UK jurisdiction will have jurisdiction in the event of any dispute.

ABOUT US AND HOW TO CONTACT US

The Insurer is a life assurance company whose registered office is in the Grand Duchy of Luxembourg. It is regulated by the Commissariat aux Assurances. The Insurer is not regulated in the United Kingdom.

For further information about us or about any matter in this document, please contact us in writing or by telephone at:

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IMPORTANT

All information given in these product features is based on the Insurer's understanding, at the date of going to print, of both Luxembourg law and UK law. The Insurer accepts no responsibility for the effects of any future changes in taxation, legislation or revenue practice in either the Grand Duchy of Luxembourg or the United Kingdom.

The impact of taxation (and any tax reliefs) depends on individual circumstances.

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A WEALTH *of* DIFFERENCE

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