

GENERATION TIONS PLANNING BOND

KEY
FEATURES

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WEALTH SOLUTIONS



Utmost Wealth Solutions is the brand name used by a number of Utmost companies.

The Generation Planning Bond is issued by Utmost PanEurope dac.

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The Financial Conduct Authority is a financial services regulator. It requires us, Utmost PanEurope dac, to give you this important information to help you to decide whether the Generation Planning Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

BEFORE YOU BEGIN

Please read this document together with your **Personal Illustration** and any applicable disclosure documents. We have highlighted in bold the documents that contain additional information about the risks and features associated with this bond. Please ask your financial adviser if you need copies of these documents. You need to be comfortable that you understand the benefits and risks of this bond before deciding whether to invest.

The purpose of this document is to help you to make an informed decision. However, you are required to seek professional financial advice before you decide to purchase this bond.



Wherever you see this icon it highlights that further information on the subject can be found within the **Product Guide**. The **Product Guide** will also show this icon in the relevant section for your ease of reference.

IMPORTANT INFORMATION

WHAT IS THE GENERATION PLANNING BOND? ITS AIMS

It is an international single premium capital redemption bond, combined with a trust, managed by your appointed trustees.

Your investment purchases units in funds linked to the stock markets and deposits and combines your investment with that of investors who have similar objectives.

WHO SHOULD CONSIDER THE GENERATION PLANNING BOND?

The Generation Planning Bond is designed for people who wish to reduce their UK Inheritance Tax (IHT) liability and can give up access to their capital forever, but still need to receive regular payments (for ease, referred to as 'income') from their capital during their lifetime.

'Income' payments are regular withdrawals of capital from the bond.

As the bond cannot be surrendered during your lifetime, nor can the 'income' payments be amended or suspended in any way, it may not be appropriate for you if you have no other form of savings or income.

This bond is designed for single or joint investors who are 50 or over, married or in a civil partnership and have estate planning requirements and a need for an 'income' from their investment. The maximum age for applicants at the start of the bond (before and after underwriting) is 94 years.

- › to reduce your potential UK IHT liability
- › to increase the value of your investment by allowing you to select from a wide range of funds
- › to provide you with an 'income' during your lifetime, or until the value of the bond reduces to zero
- › to allow you to benefit from tax deferral on that 'income' during your lifetime where applicable or until capital is exhausted
- › to allow you to pass on your remaining wealth to your beneficiaries under the terms of an appropriate trust.

YOUR INVESTMENT

You must invest a single lump sum of at least £50,000. No further investment into the bond can be made during your lifetime. With the exception of preset 'income' payments, you must be willing to give up access to your capital.

After your death (or the death of you and your spouse or civil partner in the case of a joint application), additional single premiums can be made. Additional premiums attract their own charges at the rates applicable at the time they are made, and each will have its own cancellation rights.



The Generation Planning Bond is complex, and it is strongly recommended that you seek professional advice on a face-to-face basis. This document should be read together with the advice from your financial adviser. We accept no responsibility for the consequences of your investment in the bond, including the product suitability and personal tax position.



If you ask us to pay an initial charge for advice from the payment you send to us before the premium is invested, the amount you send must total at least the minimum investment amount as stated above, plus any agreed charges for advice.

See the 'What charges for advice can be facilitated?' section on page 6 for more information about the different types of charges we can facilitate.



Read the 'Generation Planning Bond Essentials' section of the **Product Guide** for further information.

RISKS

When considering applying for a Generation Planning Bond, it is important to bear in mind the following risks:

RISKS RELATING TO LINKING YOUR INVESTMENTS TO FUNDS

- › The funds available through the bond are linked to stock markets and other investments. Their value will fall and rise in line with these markets and is not guaranteed. This means that your trustees may get back less than you invested
- › If the bond invests in a fund denominated in a different currency from the bond, a currency conversion will apply. All costs and exchange risks associated with currency conversion will be charged to the bond. You should bear in mind that currency fluctuations may affect the value of the bond
- › If the growth of your selected fund(s) does not cover the charges, then this will reduce the value of your investment
- › Some of the funds in which you can invest may carry additional risks because of the types of assets they invest in. Here are a few examples:
 - The value of funds that invest overseas may fall and rise due to changes in exchange rates
 - Funds that invest in emerging markets may show greater performance volatility due to the nature of the assets held by the fund
 - There may be a delay in accessing your money if you invest in property funds.



There are other risks which could affect the performance of the funds that you invest in. For more details please discuss with your financial adviser.

GENERAL

- › Policyholders are not covered by a compensation scheme if we become insolvent. In circumstances such as when a fund manager or a deposit taker such as a bank or building society were to fail, because of the nature of this investment, it is unlikely that the policyholders would be covered by any compensation scheme. Please see the 'Compensation' section in this document for further information
- › Inflation will reduce the value of what can be bought in the future with the proceeds of the bond
- › The tax treatment of the Generation Planning Bond cannot be guaranteed as tax law and practice may change in the future or differ from our interpretation. Therefore the value of the tax benefits provided by this bond may change, which could result in a higher amount of UK IHT being paid by you or your estate than you expected. The tax treatment of the bond (including the treatment of 'income' payments) also depends on your individual circumstances and may change
- › The Generation Planning Bond requires that you take an 'income' in the form of regular withdrawals of capital. Withdrawals, including any charges for advice, may reduce the value of your investment below its original value, especially at times when investment growth is low or when the level of withdrawals is higher than growth of your chosen investment after charges. In addition the potential for growth may be lower than that indicated in your Personal Illustration
- › If the trustees agree to pay any ad hoc adviser charges from the bond, any tax liability created may fall on the Settlor or the beneficiaries depending on the type of trust created and the circumstances of the trust at the time
- › The bond's charges may increase in the future, beyond those shown in your Personal Illustration.

QUESTIONS AND ANSWERS

1. CAN I CHANGE MY MIND?

You currently have 30 days to cancel the bond. The 30 days begin on the day you receive the **Your Right To Change Your Mind Form**. If for any reason you decide that you do not want to take out this bond, return the form within 30 days to our address detailed on page 12 and we will give you your money back minus any amount relating to any charges for advice already paid. If necessary, you will need to reclaim any refundable payments in relation to these charges directly from the relevant party.

If the value of the investment falls before we receive your cancellation form, an amount equal to the fall in value will be deducted from any refund you receive. However, if the value of the investment has increased you will only get back the amount of your initial investment, minus any charges for advice already paid.

If the bond is linked to assets which cannot be cashed in easily, such as fixed-term deposits or funds with infrequent dealing days, it may be some considerable time before the asset can be sold or redeemed and your money returned to you. If there are any penalties imposed by the deposit taker or fund manager for early cancellation these will be passed on to you.

If you do not exercise your right to cancel within the 30 days cancellation period your bond will continue in accordance with the policy terms and conditions.

2. WHAT CHARGES DO YOU APPLY?

The current charges we take for running the bond are shown in your Personal Illustration. More detailed information on charges can be found in our separate **Guide to Charges** available from our website www.utmostinternational.com or from your financial adviser on request. It is important that you read the Personal Illustration and the **Guide to Charges** together with this Key Features Document and any other applicable disclosure documents.

Summaries of the charges applicable are below:

- › **Standard Product Charges** - We apply these charges (administration and Flex-Charge) to the bond to cover the set up and administration of the bond
- › **Conditional Charges** - Whether or not your trustees pay these charges depends on the options chosen when managing the investment
- › **Investment Charges and Costs** - These charges are for the investment and fund choices you or your trustees make. They depend on the funds and investment services chosen, and include any charges made by the underlying fund manager for running the fund.

There may be factors which result in changes to our charges if our costs change unexpectedly, for example if tax rules change. We'll tell your trustees if this happens.

However, administration and dealing charges will be increased on 1 January each year in line with the UK Retail Prices Index without any notification to the policyholders. Payment charges are based on bank charges we incur in making the payment and are subject to increase without notice where the charges incurred by us increase.

It's important to note that charges reduce the value of the bond and its growth potential.

3. WHAT CHARGES FOR ADVICE CAN BE FACILITATED?

We can facilitate charges for advice provided by an appointed financial adviser, investment adviser or External Manager and/or Custodian (EMC) in the following ways:

- › **Outside of the bond** - for advice provided by the financial adviser, an initial adviser charge can be facilitated by us outside of the bond before your premium is invested. If you would like us to facilitate an initial charge outside of the bond, you will need to complete the relevant section within the application form
- › **Inside of the bond** - Ongoing or ad hoc charges can be facilitated as a payment from the value of bond after the premium is invested. Any charges for advice which are agreed to be paid from the value of the bond must be requested by the trustees and they will need to complete the relevant sections in the **Adviser Charges pack**.

Further details on charges for advice can be found in our **Guide to Charges**.



If you, or where appropriate the trustees, choose to pay any charges for advice from the value of the bond, then, depending on the type of advice provided, the charge may form part of your 5% annual tax-deferred entitlement. Therefore, it is important you discuss the tax consequences of your chosen method of payment with your financial adviser before your investment is set up. For further details about the different types of advice and the tax implications, please see the charges for advice section of our **Guide to Charges**.

4. HOW DO I INVEST?

You will need to complete an application form and a Deed to create a trust.

You should make your investment by Telegraphic Transfer (international payment). Your bank may charge you for this service.

Am I eligible to invest?

The maximum age for applicants at the start of the bond (before and after underwriting) is 94 years. Your 'rated age' is your age after we have assessed your life expectancy through underwriting. If your rated age after underwriting is over 94, we will be unable to proceed with your application.

Why is underwriting required?

Underwriting allows us to calculate more accurately the amount that falls outside your estate for IHT purposes.



Further information can be found in the 'Could the Generation Planning Bond work for you?' section in the **Product Guide**.

What do I need to do if I want to appoint Utmost Trustee Solutions as Trustee?

If you wish to appoint Utmost Trustee Solutions as trustee, you will need to complete the **Generation Planning Bond Application Form for Applicants Who Wish to Appoint Utmost Trustee Solutions as Trustee**. This contains the appointments and agreements needed to appoint them and to set up the trust. You should also read **Utmost Trustee Solutions – A Guide To Our Services** available from us or your financial adviser on request.

The company details for Utmost Trustee Solutions Limited can be found in the footer at the end of this document.

5. HOW DOES MY BOND WORK?

Why is there a Trust?

To reduce your potential UK inheritance tax liability, it is important to separate this investment from your estate. You do this by placing the investment into a trust. You gift the money to the trust and will no longer have access to your capital.

What is the role of the trustees?

Your appointed trustees manage the trust for the benefit of the beneficiaries and may invest the trust fund as if they were the owners. They therefore have control over your investment.



For details on choosing trustees, see the 'Trust arrangements' section of the **Product Guide**.

What types of Trusts are available?

There are two types of trust to choose from: an Absolute Trust or a Discretionary Trust.

- › If you select the Absolute Trust, you name your beneficiaries at the start and they cannot be changed
- › If you select the Discretionary Trust, your trustees will have the power to decide who is to benefit from the classes of potential beneficiaries described in the trust document.

How are the Trusts taxed?

It will depend on whether you have chosen an Absolute Trust or a Discretionary Trust and where your trustees or beneficiaries are resident or otherwise subject to tax.



You can find more information on this in the 'What are the UK tax implications?' section in the **Product Guide**.

Where will my money be invested?

You can choose from:

- › a variety of funds available from a wide range of investment management groups
- › cash deposits available from a range of banks and building societies.

We set up a Dealing Account so that money can be held ready for investment or withdrawal. It can become overdrawn, possibly due to product charges or charges for advice being taken, and in such instances interest charges will be applied on this debit balance.

The minimum investment amount per fund or cash deposit will be determined by the investment manager.

QUESTIONS AND ANSWERS

The Generation Planning Bond requires that you take an 'income' in the form of regular withdrawals of capital. Certain funds may have an extended notice period before any withdrawals can be taken, or may contain clauses in the fund prospectus that could delay redemptions in certain circumstances. Such funds may not be appropriate for this product.



Further information can be found in the 'What are my investment options?' section of the **Product Guide**.

Full details regarding funds can be obtained from the relevant fund manager.

Can the trustees change the investments linked to the bond?

Yes, we will accept instructions from your trustees or an appointed investment adviser.

There is a charge for the sale and purchase of each fund or cash deposit. See your Personal Illustration for details of the current charge.

Can I nominate an investment adviser or an External Manager and/or Custodian (EMC) to be appointed?

Yes. With our agreement you may ask us to take instructions from your nominated investment adviser on the initial fund choice and subsequent fund switches. All charges applied by an investment adviser will be treated as a charge for advice.

However, they will not count towards your 5% annual tax-deferred entitlement.

If we are asked to appoint an EMC, the standard quarterly administration charge we apply for EMC cases will be applicable to each EMC appointed. In cases where the EMC is able to provide electronic valuations, in a format acceptable to us, the administration charge may be reduced. The applicable administration charge will be shown in your Personal Illustration. Refer to our **Guide to Charges** for details of our current administration charges. In addition to the charges we apply, the appointed EMC will also charge for their service.



If you, or where appropriate the trustees, choose to pay any charges for advice from the value of the bond, then depending on the type of advice provided, the charge may form part of your 5% annual tax-deferred entitlement. Speak to your financial adviser about potential tax implications connected with paying for advice from the value of the bond before investing or setting up any agreements to pay such charges.

How will I know what the bond is worth?

We will send the trustees an annual valuation statement on each policy anniversary. They can also register on our website at www.utmostinternational.com to obtain valuations online at any time. If additional paper valuations are requested there will be a charge. For details of the current rate please contact us on **+44 (0)1624 643 345**.

6. CAN I STOP 'INCOME' PAYMENTS?

You must take a regular 'income' and you must decide how much 'income' you wish to take, either fixed or increasing, when you complete the application form. 'Income' payments are actually withdrawals of capital. You cannot change this during your lifetime or take additional withdrawals. If the value of the bond reduces to zero your 'income' payments will stop.

It is important to note that if you do not spend the 'income' you receive, it will remain inside your estate and may be liable to UK inheritance tax on death.



Any adviser charges paid to a financial adviser (on any matters not relating to investment advice or related services), which the trustees have agreed to be paid through the bond, will be treated as a withdrawal from the bond and will form part of the bond's 5% annual tax-deferred entitlement.

7. CAN I SURRENDER THE BOND?

You cannot surrender the bond. It can only be surrendered or partially surrendered by your trustees, after your death (or after both of you have died on a joint application).

Outstanding charges may apply on partial or full surrenders and the amount received will depend on the value of the bond at that time which can be less than invested. There is a charge for the sale of any external funds and withdrawals from cash deposits. There may be a charge for breaking a fixed deposit early or for not providing any required notice period.



Read the 'Getting money from the bond' section of the **Product Guide** for more information.

8. WHAT ABOUT TAX?

Will I have to pay tax on the 'income'?

If you are a UK tax resident, you are currently entitled to withdraw 5% of the original investment amount each policy year for 20 years and defer any Income Tax payable.

If you do not take your full 5% tax-deferred entitlement in any policy year, the unused amount is carried forward for use in future years.

If you withdraw more than 5% of the original investment in any policy year then the excess will give rise to a chargeable gain and may become liable to Income Tax.

This liability may fall on the Settlor/ Donor or beneficiaries depending on the type of trust chosen and the circumstances of the trust at that time.

Is there any tax on the funds?

We do not pay Capital Gains Tax or Income Tax in Ireland on investments held on behalf of our investors, so any investment, income or gains in these funds are allowed to grow free of these taxes. The only tax to which funds may be liable is that which is deducted at source together with stamp and transfer taxes, and cannot be reclaimed.

Do I need to know anything else about tax ?

Yes, how the proceeds taken from the bond are taxed is a complex issue.

The responsibility for any tax liability can depend on a number of factors. These include where you, your trustees and beneficiaries are resident or otherwise subject to tax and which type of trust you have selected.

For UK resident policyholders we will tell HM Revenue & Customs about any proceeds if this creates a chargeable gain subject to income tax. We recommend that you speak to your financial adviser.

The information contained in this document is based on our interpretation of current law and taxation practice in the UK and Ireland as at 1 April 2021. Tax treatment is subject to change and depends on individual circumstances.



Read the 'What are the UK tax implications?' section of the **Product Guide** for further information.

9. WHAT HAPPENS TO THE BOND WHEN I DIE?

As it is a capital redemption bond and has a fixed term of 99 years, it doesn't end on death. Following your death (and that of your spouse or civil partner for joint applications), 'income' payments will stop. Your trustees can choose to leave the bond invested, assign the bond to the beneficiaries or surrender the bond to distribute the proceeds to your beneficiaries, in line with the trust document. If the bond is to remain invested following your death, any charges applicable to the bond will continue.



For further information on charges, see the 'What are the charges for the Generation Planning Bond?' section in the **Product Guide**.

FURTHER INFORMATION

AUTHORISED AND REGULATED

We are authorised by the Central Bank of Ireland.

As well as holding enough assets to meet our liabilities to our investors, we also hold an additional amount of capital to satisfy the requirements of the Central Bank of Ireland. This additional capital is called solvency margin. We report our solvency position to the Central Bank of Ireland on a regular basis.

COMPENSATION

As the assets to which the value of the bond is linked are held in our name, you are unlikely to have any right to compensation if the firm which manages those assets, such as a bank or fund manager, fails. This includes any right that individuals investing directly in the bank or fund manager might have to make a claim from a compensation scheme. If this happened, the value of that part of your investment is likely to be limited to any amount that we can recover from the failed bank or fund manager.

Utmost PanEurope is not covered by any investor compensation scheme. We segregate policyholder assets from our other assets and deposit them with independent institutions. In the unlikely event of our insolvency, policyholder claims have absolute precedence over all other claims with regard to policyholder assets, once the costs of liquidation have been met.

Irish law protects policyholder assets by imposing strict capital management rules and controls to prevent insurer insolvency.

HOW WE USE YOUR INFORMATION

Our Privacy Notice explains when and why we collect personal information about our customers, how we use it, the conditions under which we may share it with others and how we keep it secure. It also explains how long we keep your information for, how you can obtain details of the information we keep and the choices you have about how we use that information. You can find a copy on our website at www.utmostinternational.com or you can ring our Customer Service team on **0845 602 9281** and request a copy.

LAW AND LANGUAGE

The bond is governed by the laws of England and Wales and accordingly the High Courts of England and Wales shall have exclusive jurisdiction to decide any disputes that may arise.

Your contract documents will be in English and any communications we send to you will be in English.

FINANCIAL ADVISERS

Your financial adviser will provide you with information regarding their identity, the capacity in which they are acting and their address for future communications.

If you have any questions regarding the Generation Planning Bond, please contact your financial adviser.

KEY FEATURES DOCUMENT & PERSONAL ILLUSTRATION INFORMATION

If the Personal Illustration you have been given contains an expiry date and you wish to make an application after this date, please ask your financial adviser for a new Personal Illustration, Key Features Document and any applicable key disclosure documents.

If the intention is to request us to deduct charges for advice on your or the trustees' behalf, either from your payment to us or from the value of the bond, please ensure the details of the charge match those shown on the Personal Illustration provided to you by your financial adviser.

This Key Features Document was produced in **December 2021**. If you are not sure if you have the most up-to-date version, please speak to your financial adviser.

TERMS AND CONDITIONS

These Key Features give a summary of the Generation Planning Bond. They don't include all the definitions, exclusions, and terms and conditions. These are shown in the Policy Schedule and Policy Conditions.

If you would like a copy please ask your financial adviser or us.

COMPLAINTS

If, for any reason you are not satisfied with our service then please address your complaint to our Head of Customer Services.

Post: Utmost PanEurope dac
Ashford House
Tara Street
Dublin 2
D02 VX67
Ireland

OMBUDSMAN

We will do everything in our power to resolve a complaint and in many cases can rectify the issue direct with our client. However, on occasion you may wish to deal with an outside mediator to obtain a resolution. Ireland offers the protection of a Financial Services and Pensions Ombudsman Scheme.

The Scheme is specifically aimed at individuals, limited companies with a turnover of less than €3 million, charities, club trusts and partnerships. For further information on this, please visit www.fspo.ie


The Ombudsman's contact details are:

Post: Financial Services and Pensions Ombudsman
Lincoln House
Lincoln Place
Dublin 2
Ireland
D02 VH29

Tel: 00 353 1 567 7000


CONTACT US

To find out more about the Generation Planning Bond, please contact us.

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Please note that emails are not secure as they can be intercepted, so think carefully before sharing personal or confidential information in this way.

Telephone calls may be recorded.

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WEALTH SOLUTIONS

A WEALTH *of* DIFFERENCE

Utmost Wealth Solutions is a trading name used by a number of Utmost companies. Utmost Trustee Solutions is the trading name used by Utmost Trustee Solutions Limited. This item has been issued by Utmost PanEurope dac.

The following companies are registered in the Isle of Man: Utmost Limited (No 056473C), Utmost Administration Limited (No 109218C) and Utmost Trustee Solutions Limited (No 106739C) which are regulated or licensed by the Isle of Man Financial Services Authority. Utmost Services Limited (No 059248C) is an appointed representative of Utmost Limited. Each has its registered office at: Royalty House, Walpole Avenue, Douglas, Isle of Man, IM1 2SL, British Isles. Utmost Limited is authorised in the UK by the Financial Conduct Authority (160418).

Utmost PanEurope dac (No 311420), trading as Utmost Wealth Solutions, is regulated by the Central Bank of Ireland. Its registered office is Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland.

Where required, all promotional material has been approved by Utmost Limited which is authorised in the UK by the Financial Conduct Authority.

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