

# FAMILY LEGACY BOND

KEY  
FEATURES

A WEALTH *of* DIFFERENCE

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WEALTH SOLUTIONS



Utmost Wealth Solutions is the brand name used by a number of Utmost companies. The Family Legacy Bond is issued by Utmost International Isle of Man Limited.

This product is only available to customers of NFU Mutual Select Investments Limited (MSIL).

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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

You should 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. 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 **Family Legacy Bond Product Guide**. The Guide will also show this icon in the relevant section for your ease of reference.

# IMPORTANT INFORMATION

## WHAT IS A FAMILY LEGACY BOND?

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 combines your investment with that of investors who have similar objectives.

## WHO SHOULD CONSIDER THE FAMILY LEGACY BOND?

The Family Legacy Bond is designed for investors who wish to reduce their UK Inheritance Tax (IHT) liability and have particular estate planning needs. Specifically it is for investors who are able to give up access to the capital they invest forever, but still need to receive regular payments (for ease regular payments are referred to as 'income') from their capital during their lifetime. The bond can be taken out by single investors or by joint investors who are married or in a registered civil partnership. Applicants must be over 50 but under 90 years of age at the start of the bond.

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

As the bond cannot be surrendered during your lifetime, or the regular withdrawals amended or suspended in any way, it may not be appropriate for you if you have no other form of savings or income.

## ITS AIMS

- › to reduce your potential UK IHT liability
- › to increase the value of your investment by allowing you to select from a 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 the 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 £100,000. No further investment into the bond can be made during your lifetime.

With the exception of preset regular withdrawals, 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.



Read the 'Family Legacy Bond Essentials' section of the **Product Guide** for further information.



The Family Legacy Bond is a complex product, and it is strongly recommended that you seek professional advice. 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.

# RISKS

When considering applying for a Family Legacy 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. 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
- › Some of the funds in which you can invest may carry additional risks because of the types of assets they invest in - examples of this include:
  - 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.

## GENERAL

- › The policyholders are only covered by a compensation scheme if we become insolvent. In other circumstances, such as when a fund manager fails, our policyholders will not normally be covered by a compensation scheme. Refer to 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 Family Legacy 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 Family Legacy Bond requires that you take an 'income' in the form of regular withdrawals of capital. Withdrawals 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**.



There are other risks which could affect the performance of the funds that you invest in. For more details, discuss with your financial adviser and refer to the **Family Legacy Bond Fund List & Fund Specific Risks Document**.

# 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 in the contact us section of this document. We will then give you an amount back as calculated in the note below.



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, minus any charge for advice already paid. However, if the value of the investment has increased you will only get back the amount of your initial investment, minus any charge for advice already paid. If necessary, you will need to reclaim any refundable payments in relation to these charges directly from your financial adviser.

The liquidity of the assets linked to the bond can change and are beyond our control. In the event that the assets cannot be cashed in easily, there may be a delay before your money is returned to you. If there are any penalties imposed by the 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 **Family Legacy Bond Charges Guide** available from us or your financial adviser on request. It is important that you read both items together with this Key Features Document and any applicable disclosure documents.

Summaries of the charges applicable are below:

- › **Standard Product Charge -**  
We apply the Product Management 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 chosen, and include any charges made by the underlying fund manager for running the fund.

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.

We may change our charges if our costs change unexpectedly, for example if tax rules change. We will tell your trustees if this happens.



Charges reduce the value of the bond and its growth potential.

## 3. WHAT CHARGES FOR ADVICE CAN BE FACILITATED?

We can facilitate an initial adviser charge outside of the bond before your premium is invested for advice provided to you by your financial adviser. If you would like us to facilitate an initial adviser charge outside of the bond, you will need to complete the relevant section within the application form.



Further details on paying for financial advice can be found in the **Family Legacy Bond Product Guide**.

#### 4. HOW DO I INVEST?

You will need to complete a full **Family Legacy Bond Application Form** and a Trust Deed to create a trust.

You can make an investment by Telegraphic Transfer, BACS, CHAPS, banker's draft or cheque. Your bank may charge you for some of these services.

##### Am I eligible to invest?

The maximum age for applicants at the start of the bond is 89 years.

##### Why is underwriting required?

Underwriting is an essential process in applying for a Family Legacy Bond. It is required to enable us to calculate more accurately the amount that falls outside your estate for IHT purposes.

Your 'rated age' is your age after we have assessed your life expectancy through underwriting. If your rated age after underwriting is over 90, we will be unable to proceed with your application.



For further information, please see the 'Why Invest?' section of the **Product Guide**.

##### What do I need to do if I want to appoint Utmost International Trustee Solutions Limited as trustee?

If you wish to appoint Utmost International Trustee Solutions Limited as trustee, you will need to complete the **Family Legacy Bond Application Form** specifically designed for their appointment. You can obtain the relevant application form from your adviser. This contains the appointments and agreements needed to appoint them and to set up the trust. If you would like further information regarding the trustee services offered by Utmost International Trustee Solutions Limited, ask your financial adviser for our guide.

The company details for Utmost International 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 IHT 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 therefore no longer have access to your capital.

##### What is the role of the trustees?

The role of trustees is to own and manage the trust in the interests of its beneficiaries and to ensure it is distributed appropriately to them when the time comes to do so.



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 Inheritance Tax Implications?' section in the **Product Guide**.

##### Where will my money be invested?

You can choose funds from the Family Legacy Bond range of funds. Refer to the **Family Legacy Bond Fund List & Fund Specific Risks** document for further information.

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



Further information can be found in the 'Selecting Investments For The Bond' section of the **Product Guide**.

You can obtain information on your funds, including prices, from your financial adviser.



### Can the trustees change the investments linked to the bond?

Yes, we will accept instructions from your trustees.

Fund switches are currently not charged by us. However, the fund manager may levy an initial or redemption charge or may charge for switching. A payment charge will be made each time money is transferred to the fund house (to purchase funds) to cover our bank costs.

### How will I know what the bond is worth?

We will send the trustees an annual valuation statement on each policy anniversary. They can register for our logged-in service at [www.utmostinternational.com](http://www.utmostinternational.com) and can obtain valuations online at any time. If additional paper valuations are requested there will be a charge.



For details of the current rate at which additional valuations are charged, contact us on **+44 (0)1624 643 375**.

### 6. CAN I STOP 'INCOME' PAYMENTS?

'Income' payments are actually regular withdrawals of capital. You must take regular withdrawals and you must decide what level of withdrawals you wish to take, either fixed or increasing, when you complete the application form. You cannot change this during your lifetime or take additional withdrawals. If the value of the bond reduces to zero your withdrawals 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 IHT on death.

### 7. CAN I SURRENDER THE BOND?

The bond cannot be surrendered during your lifetime (or both lifetimes if it is a joint application). Your trustees can surrender the bond, partially or in full, after your death(s).

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 may be less than originally invested.



Read the 'What Happens To The Bond When I Die?' section of the **Product Guide** for more information.



## 8. WHAT ABOUT TAX?

### Will I have to pay tax on the regular withdrawals?

If you are a UK tax resident, for each investment you make, you are currently allowed 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 the full 5% entitlement in any policy year, the unused amount is carried forward for use in future years.

If the 5% tax-deferred entitlement is exceeded 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 you, as 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 the Isle of Man 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. We recommend that you speak to your financial adviser about taxation.

The information contained in this document is based on our interpretation of law and taxation practice in the Isle of Man and the UK, as at **1 May 2025**. Tax treatment is subject to change and depends on individual circumstances.



Read the 'What Are The UK Income 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 does not end on death. Following your death (and that of your spouse or civil partner for joint applications), the regular withdrawals 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 **Family Legacy Bond Charges Guide**.

# FURTHER INFORMATION

## AUTHORISED AND REGULATED

We are authorised by the Isle of Man Financial Services Authority.

We are not subject to the same regulatory system as the United Kingdom. In particular, we have different solvency, complaint and consumer protection rules.

Solvency is a measure of financial strength. Our solvency is regularly reviewed by the Isle of Man Financial Services Authority, who set minimum solvency margins to protect policyholders.

## COMPENSATION

We are covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. If we cannot meet our obligations, the policyholder will be entitled to claim up to 90% of our liabilities to them as compensation from the Scheme. If there is a call on the Scheme, by another participating life insurer, we may be required to pay a levy of up to 2% of our policyholder funds to the Scheme. Where such a levy is made, the value of your investment is likely to be reduced by an equivalent percentage.

There are some exemptions that apply to the Scheme but they are limited. For example, the Scheme will not pay out to policyholders who may have been associated, directly or indirectly, with the insurer's insolvency. The Scheme Manager may also reject a claim if the claimant is protected under any comparable scheme, i.e. if they have already received compensation.



As the assets to which the value of the bond is linked are held in our name, the policyholder does not have any automatic rights to compensation should the underlying fund manager fail. In these circumstances our liability to the policyholder will be limited to such amounts, if any, that we can recover from any third party.



Read the 'Some Important Information' section in the **Product Guide** for more information.

## LAW AND LANGUAGE

The Family Legacy Bond consists of a series of policies and a Trust.

- › The policies are governed by Manx law. The Isle of Man Courts shall have exclusive jurisdiction to decide any dispute that arises in connection with any such policy. Any waiver of such exclusive jurisdiction shall be at our discretion and exercised reasonably
- › The Trust is governed by the Law of England and Wales.

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 Family Legacy Bond, ask 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, ask your financial adviser for a new **Personal Illustration, Key Features Document** and any applicable disclosure documents.

If you intend to request that an initial adviser charge is to be deducted from your payment to us, 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 May 2025. If you are not sure if you have the most up-to-date version, ask your financial adviser.

## TERMS AND CONDITIONS

These Key Features give a summary of the Family Legacy 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 ask your financial adviser or us.

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## COMPLAINTS

We will do everything in our power to prevent a complaint and in many cases can resolve the issue directly with our client.

If, for any reason, you are dissatisfied with our service, please address your complaint to our Customer Experience Manager. Our details are in the 'Contact Us' section.

Complaints we cannot resolve can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. You are not eligible to make a complaint against us to the UK Financial Ombudsman Service.

The Scheme is specifically aimed at individuals, which means that complaints from companies (including Corporate Trustees) are excluded.

Making a complaint will not affect your right to take legal proceedings during mediation. However, if you elect to have your case referred to the Ombudsman then, other than on a point of law, their decision is binding on you and Utmost.


### **The Ombudsman's contact details are:**

**Post:** The Financial Services Ombudsman  
Scheme for the Isle of Man  
Thie Slieau Whallian  
Foxdale Road  
St John's  
Isle of Man  
IM4 3AS  
British Isles

**Tel:** +44 (0)1624 686 500


**Web:** [www.gov.im/oft](http://www.gov.im/oft)

# CONTACT US

 +44 (0)1624 643 345

 [customersupport@utmostwealth.com](mailto:customersupport@utmostwealth.com)

 Utmost International Isle of Man Limited  
King Edward Bay House  
King Edward Road  
Onchan  
Isle of Man  
IM99 1NU  
British Isles

 [www.utmostinternational.com](http://www.utmostinternational.com)

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Telephone calls may be recorded.

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Promotion approved May 2025

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[www.utmostinternational.com](http://www.utmostinternational.com)

Utmost International Isle of Man Limited is registered in the Isle of Man under number 024916C. Registered Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Licensed by the Isle of Man Financial Services Authority.

Utmost International Trustee Solutions Limited is registered in the Isle of Man under number 137986C.

Registered Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.

Licensed by the Isle of Man Financial Services Authority.

Utmost Wealth Solutions and Utmost International Trustee Solutions are registered in the Isle of Man as business names of Utmost International Trustee Solutions Limited.

The rules made under the Financial Services and Markets Act 2000 (as amended) for the protection of retail clients in the UK do not apply.

Holders of policies issued by the above registered entities will not be protected by the UK Financial Services Compensation Scheme if the above registered entities become unable to meet policyholder liabilities.

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