

# COMPANY INFORMATION MATERIALS

DUE  
DILIGENCE  
PACK FOR  
FINANCIAL  
ADVISERS

ISSUED BY UTMOST LIMITED



A WEALTH *of* DIFFERENCE

utmost<sup>™</sup>  
WEALTH SOLUTIONS

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This document should not be distributed to, or relied upon by, retail clients.

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

This item has been issued by Utmost Limited.

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# BACKGROUND INFORMATION

## INTRODUCTION & HISTORY

Utmost Wealth Solutions (“Utmost”) is the brand name used by a number of Utmost companies. Under the Utmost Wealth Solutions brand, Utmost Limited and Utmost PanEurope dac provide ‘overseas’ bonds for high-net-worth UK residents and UK ex-pats serviced by fully regulated intermediaries in the UK.

Utmost PanEurope dac also specialises in UK private insurance and the European unit-linked wealth management market.

Below is a brief history of Utmost Limited (“the Company”):

The Company was established in 1991 and commenced business in 1992 as Sun Life International (IOM) Limited. In 2000, a review of operations following the merger of AXA Equity and Law with Sun Life in the UK led to the company ceasing to operate through ‘international’ IFAs, and only selling via IFAs in the UK, Channel Islands and the Isle of Man. In 2001, the company was renamed AXA Isle of Man Limited. When established, the Company was owned 80% by the Long Term Business Fund of Sun Life Assurance Society (SLAS), in effect the With Profits policyholders, and 20% by PanEuroLife. In 1998, AXA sold PanEuroLife, and ownership became 100% by the SLAS Long Term Business Fund. On 1 January 2004, the AXA shareholders bought the Company from the SLAS Long Term Business Fund. In October 2016 LCCG bought the Company and the company was renamed Utmost Limited. The Company’s existing products remain open to new business under the new Utmost Wealth Solutions brand.

## LIFE COMPANY CONSOLIDATION GROUP LIMITED (LCCG)

Formed by directors Paul Thompson and Ian Maidens (Founding Directors), LCCG is a company specialising in the acquisition and consolidation of life assurance business operating in the European life assurance sector. LCCG operates business in Ireland, the Isle of Man and the UK. In October 2016, LCCG acquired AXA Isle of Man Limited and renamed as Utmost Limited. Prior to the purchase of the AXA Isle of Man group of companies, it focused on acquiring closed books of business.

It sees Utmost Wealth Solutions as the centrepiece of a new business strategy to complement its existing closed book strategy. LCCG2 Limited is part-owned by the Founding Directors, and part-owned by funds managed by Oaktree Capital Group LLC (“Oaktree”). Oaktree is regulated by the U.S. Securities and Exchange Commission (SEC) and its UK entity, Oaktree Capital Management (UK) LLP, is authorised and regulated by the Financial Conduct Authority.

## THIRD PARTY RELATIONSHIPS

The Utmost group of companies maintain a number of pre-existing third party administration relationships with AXA entities including AXA Insurance PTE Ltd in Singapore and AXA China Region Insurance Co Ltd in Hong Kong.

## REGISTERED ADDRESS & CONTACT DETAILS

Registered address: Utmost Limited  
Royalty House  
Walpole Avenue  
Douglas  
Isle of Man  
IM1 2SL

Telephone number: +44 (0)1624 643 345

Email address: customersupport@utmostwealth.com

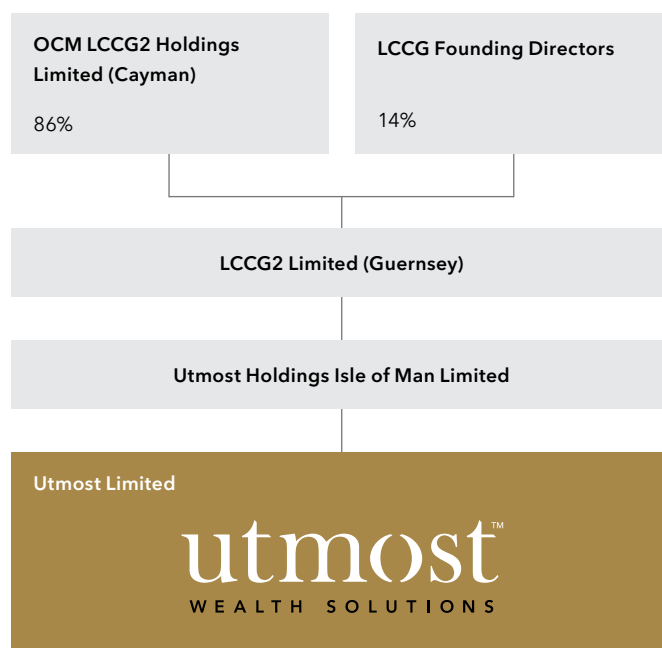
## REGULATORY STATUS

Utmost Limited is authorised and regulated by the Isle of Man Financial Services Authority (FSA) and for UK business is regulated by the UK Financial Conduct Authority (FCA).

## COMPANY OWNERSHIP

- › Utmost Limited is wholly owned by Utmost Holdings Isle of Man Limited
- › Utmost Holdings Isle of Man Limited is a holding company formed exclusively to take ownership of the Utmost Isle of Man group of companies
- › Utmost Holdings Isle of Man Limited is ultimately owned by Life Company Consolidation Group (2) Limited
- › Life Company Consolidation Group (2) Limited is part-owned by the Founding Directors (14%) and OCM LCCG2 Holdings Limited (86%)
- › OCM LCCG2 Holdings Limited is owned by funds managed by Oaktree Capital Group LLC.

## CORPORATE STRUCTURE (SIMPLIFIED)

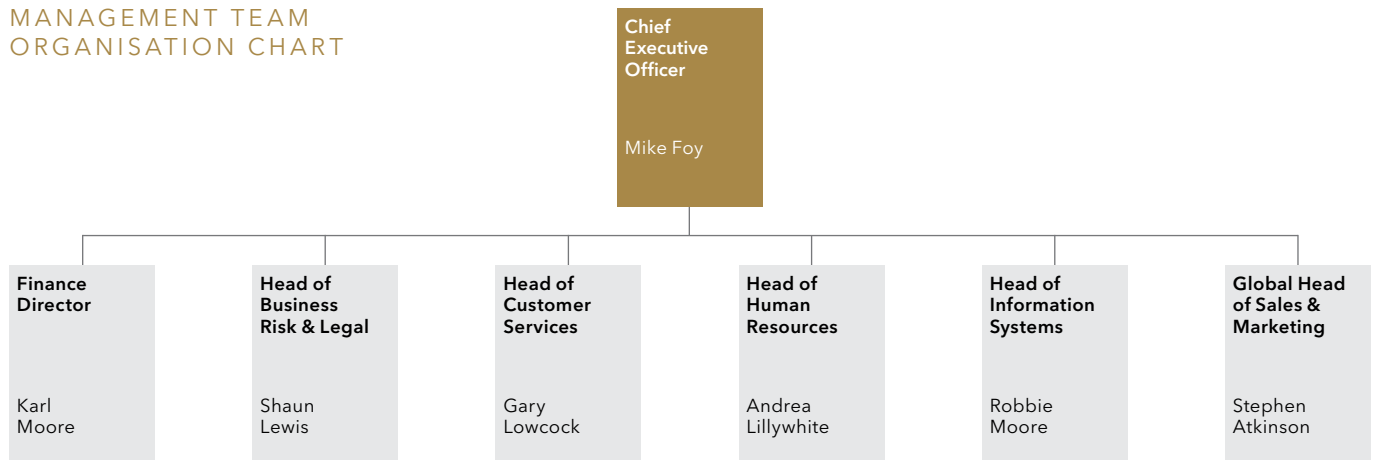


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# OPERATIONAL INFORMATION

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## MANAGEMENT TEAM ORGANISATION CHART



## OPERATIONAL STRUCTURE

Utmost Limited employs around 200 members of staff. They are represented approximately as shown below:

- › Customer Services - 45 members
- › Investment Operations - 45 members
- › Information Systems - 30 members
- › Finance & Business Risk - 30 members
- › Proposition - 15 members
- › Specialist/other - 20 members
- › Distribution - 15 members.

## FINANCIAL INFORMATION

As a wholly owned private limited company, Utmost Limited does not make its reports and accounts available to external parties. The key financial indicators are contained in the company's AKG report, which is available on request.

### AKG FINANCIAL STRENGTH RATINGS 28 NOVEMBER 2019

FINANCIAL STRENGTH RATINGS				SUPPORTING RATINGS		
Overall	With profits	Non profit	Unit linked	Service	Image & strategy	Business Performance
B+	N/A	N/A	4*	5*	4*	4*

### ASSETS UNDER MANAGEMENT

	AUM
2015	£9.3bn
2016	£10.1bn
2017	£10.5bn
2018	£9.2bn
2019	£10.1bn

### FREE ASSETS AND FREE ASSET RATIO

	FREE ASSETS	FAR
2015	£59m	0.6%
2016	£48m	0.5%
2017	£56m	0.5%

### REQUIRED MINIMUM SOLVENCY MARGIN AND COVERAGE RATIO

	RMSM	RMSM COVERAGE RATIO
2015	£23m	352.6%
2016	£25m	288.6%
2017	£26m	312.9%

From 30 June 2018, the Isle of Man Financial Services Authority (FSA) introduced a new risk based solvency regime broadly similar to the EU Solvency II regime.

Utmost Limited's policy is to maintain a solvency coverage ratio above the regulatory minimum of 125% at all times and not pay dividends if the solvency coverage ratio falls below 150%.

The following table shows the solvency capital requirement ratio and minimum solvency capital requirement ratio for the company.

	Solvency Capital Requirement (£'m)	Minimum Capital Requirement (£'m)	Eligible Own Funds (£'m)	Solvency Coverage Ratio	Minimum Solvency Coverage Ratio
2018	148,849	52,097	246,713	165.7%	473.6%
2019	152,662	53,432	253,505	166.1%	474.4%

The excess assets over the solvency capital requirements would be:

2018	£98m
2019	£100.8m

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# STRATEGY

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The Utmost Wealth Solutions strategy is summarised below:

- › Maintain and grow the UK book of business and continue the successful relationships with AXA in Hong Kong and Singapore (for Asian-sourced business)
- › Grow Utmost Wealth Solutions (“Utmost”) both organically, through increasing the new business volumes written, and through further acquisitions
- › Our key future plans remain centred on providing advisers with a streamlined, flexible service offering that aligns with demands and business models in the UK. The financial services sector is ever-changing and it’s vitally important that we adopt a flexible approach in order to meet the needs of our target clients and their advisers, and maintain our position as an industry leader. In order to provide policyholders with a relevant range of choices and options, it’s crucial that we consider alternative segments of the market and compatible jurisdictions in line with market demand.

We aim to achieve this by:



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## PRODUCTS & SERVICES

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### PRODUCT DESCRIPTIONS

#### Evolution

A flexible investment bond which offers a wide range of investment options and is designed for individual, corporate and trustee applicants looking to invest for growth, income, tax planning or wealth transfer purposes. Evolution offers a capital redemption option meaning that it can have a lifetime of up to 99 years and does not end on the death of the policyholder. This provides a high degree of flexibility and makes it particularly useful for 'generational' tax planning and trustee investments.

#### Estate Planning Bond

A single-premium investment bond, which is held in a discounted gift trust from outset and offers a wide range of investment options. It's designed to help the policyholder create a trust fund for their families that reduces their potential liability to Inheritance Tax immediately and over seven years, from which the policyholder takes a regular, tax-deferred 'income' (withdrawals of capital).

### KEY SELLING POINTS

- › Our competitively priced, in-house trustee services are available to policyholders who use a trust
- › 'Investment adviser charging' is available. Investment adviser charges are not treated as a withdrawal to the client and therefore will not count against the policyholder's 5% tax-deferred allowance. Please speak to your Utmost sales consultant for more details
- › A capital redemption option is available for our Evolution bond with no change in charges. Our Estate Planning Bond is also set up on a capital redemption basis
- › Evolution can be converted to a discounted gift scheme at a later date and the conversion is free of charge. The conversion is subject to conditions - see our **Discounted Gift Trust Conversion Guide** for more information.

### INVESTMENT OPTIONS

#### Open Architecture

Open Architecture offers an extensive range of external funds and cash deposits from the world's major investment management groups and financial institutions. Open architecture also offers the ability to use external managers and custodians (such as discretionary managers and investment platforms).

### CURRENCIES AVAILABLE

- › Evolution is available in GBP, USD and EUR
- › Estate Planning Bond is available in GBP only.

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## PRODUCTS & SERVICES CONTINUED

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### TRUSTS & TRUSTEE SERVICES

We provide a range of template trust drafts that include the following types of trust:

- › Gift trust - discretionary and absolute (bare)
- › Loan trust - discretionary
- › Discounted gift trust - discretionary or absolute
- › Probate trust - absolute
- › Excluded property trust - discretionary.

For any clients using an Utmost bond in combination with a trust, our in-house trustee services provider, Utmost Trustee Solutions, offers a competitively priced professional trustee service. Utmost Trustee Solutions provides your client with an alternative to appointing family members to administer their trust, and can present them with a seamless solution, rather than dealing with multiple providers.

### TECHNICAL SUPPORT

For details on the range of support services available from our experienced Distribution team, please read our **Natural Collaboration** corporate brochure or speak to your Utmost sales consultant. More detailed technical support is provided by the following teams:

#### The Utmost Technical team

The Utmost Technical team provides guidance on a range of technical matters, including financial planning points and taxation of trusts and life policies. The team is led by Simon Martin. Simon has over 18 years' experience in the offshore life industry, the majority of which have been spent in technical services. Simon is an Associate of the Personal Finance Society and is a Chartered Financial Planner. He is also a fully qualified STEP practitioner and holds the CII certificate in mortgage advice. Simon sits on the tax panels of the Manx Insurance Association (MIA) and the Association of International Life Offices (AILO) and has written a number of articles in the trade press on tax and trust related matters.

#### Utmost Technical Sales Managers

Our two Technical Sales Managers are Chartered Financial Planners who have a wealth of experience, numerous qualifications, and are dedicated to providing support to advisers on a wide spectrum of technical areas.

#### Utmost Trustee Solutions

Utmost Trustee Solutions Limited, our in-house trust company, has expertise in understanding the nature of trusts used in combination with investment bonds, and the bonds themselves, as well as the duties and obligations of a trustee. The team is headed by Ricarda Best who is a fully qualified STEP practitioner and holds the CII Diploma in Financial Planning.

#### Utmost Trust Analysis Service

Our Trust Analysis Service is designed to equip you with clarity and assurance so that you can talk about the inner workings of your client's trust with authority.

#### Utmost Investment Operations team

The Utmost Investment Operations team provides expert knowledge and analysis of the discretionary, advisory and execution-only market, as well as managing the mandates operated through our open architecture wrapper bonds.

### ONLINE SERVICES & TOOLS

Our secure website offers a range of online services including the following:

- › Online valuations, including client information, are available at any time to policyholders and advisers
- › Online illustrations are available and an illustration history is saved
- › Our fund centre holds in-depth information (including fund performance, asset allocation, sector average and quartile ranking) on funds that can be linked to Utmost products
- › Online trading and tracking is available to policyholders and to advisers with the relevant agreements in place
- › Our Estate Planning Bond gift calculator is designed to give an indication of the estimated discount and potential Inheritance Tax savings that your client could achieve by using this product
- › Adviser charging (and commission) statements are also available online
- › Online Evolution Individual and Evolution New Trust and Existing Trust applications.



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## POLICYHOLDER PROTECTION

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For policyholder protection information, read our detailed **Customer Guide to Investor Protection**, which is available on request. An overview of the applicable compensation schemes is provided below.

### COMPENSATION SCHEMES

#### Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991

Utmost Limited is covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. Under these regulations, if an Isle of Man insurance company becomes insolvent, then the Scheme Manager (appointed by the Isle of Man Government, with the current scheme manager being the Isle of Man Financial Services Authority) has the authority to levy a charge of up to 2% of the value of the policyholder funds of each company covered by the Scheme. This levy is designed to meet up to 90% of the insolvent company's liability to its policyholders, where it cannot meet this itself.

The Scheme covers individual investors and others such as trustees and corporate investors, resident in any jurisdiction. There are some limited exemptions that apply to the Scheme. For example, the Scheme will not pay out to policyholders who may have been associated, directly or indirectly, with the insurer's insolvency.

For further information on the Scheme, the Isle of Man Financial Services Authority 'questions and answers' document can be downloaded from [www.iomfsa.im/media/1781/polholderprotectionfaq.pdf](http://www.iomfsa.im/media/1781/polholderprotectionfaq.pdf)

#### UK Financial Services Compensation Scheme (FSCS)

As Utmost Limited currently also pays into the UK Financial Services Compensation Scheme (FSCS), should the Isle of Man Scheme (described above) fail, then UK-resident investors may be able to claim under the FSCS. This scheme covers payments of 90% of the amount of any liabilities of Utmost Limited under the contract. Please note that eligibility is limited for some trusts and larger companies.

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## AWARDS & RATINGS

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We haven't included any company awards won prior to us becoming Utmost Limited but we have included the awards won by our products over the past five years:

#### Defaqto

- › Utmost Limited  
*2020 - Gold Service Rating*
- › Utmost Limited  
*2019 - Gold Service Rating*
- › 2018 - Evolution & Estate Planning Bond  
*5-star rating*
- › 2017 - Evolution & Estate Planning Bond  
*5-star rating*
- › 2016 - Evolution & Estate Planning Bond  
*5-star rating*
- › 2015 - Evolution & Estate Planning Bond  
*5-star rating*

#### International Adviser: Life Awards

##### UK Offshore

- › 2017 - Winner of Best Trust/Estate Planning Product  
*Estate Planning Bond*
- › 2016 - Winner of Best Trust/Estate Planning Product  
*Estate Planning Bond*
- › 2016 - Winner of Best Single Premium Investment Product  
*Evolution*
- › 2015 - Winner of Best Trust/Estate Planning Product  
*Estate Planning Bond*
- › 2014 - Winner of Best Trust/Estate Planning Product  
*Estate Planning Bond*

#### International Investment: International Fund & Product Awards

- › 2018 - Winner of Best International Trust and Estate Planning Product

#### Professional Paraplanner Awards

- › 2018 - Utmost Wealth Solutions - Winner of Best Offshore Product Provider

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## IMPORTANT INFORMATION

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

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Telephone calls may be recorded.

**utmost**<sup>™</sup>  
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 Limited and Utmost Trustee Solutions Limited.

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.

All promotional material has been approved by Utmost Limited which is authorised in the UK by the Financial Conduct Authority.

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