# ACCUMULATION & MAINTENANCE PLAN

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WEALTH SOLUTIONS

## PRODUCT FEATURES
## UNITED KINGDOM

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UK BROCHURE

### OVERVIEW OF THE ACCUMULATION & MAINTENANCE PLAN

This brochure provides a brief guide to the product features of the Accumulation & Maintenance Plan and should be read in conjunction with the personal client illustration provided by your Adviser.

### ITS AIMS

- To permit tax efficient gifting of an insurance Policy to a beneficiary while controlling the beneficiary's access to the Policy's value.
- To make available a broad range of investment options, including internal insurance funds, public collective schemes and investment mandates.
- To accumulate income and capital gains within the Policy without deduction of tax. Withholding tax may apply to the Underlying Assets in some jurisdictions.

### 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 as stipulated in the Application Form.
- Once you have invested your initial Premium, you have no obligation to pay any additional Premiums.
- There is no maximum or minimum period for which your Policy may remain invested. You can decide at the outset when money can be withdrawn from the Policy and at what rate. After assignment of your Policy, monies can only be withdrawn by the beneficiary to whom the Policy has been assigned or by the trustee of a bare trust in accordance with such decisions.

### RISKS

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

- The Policy should be regarded as a medium to longterm investment. The amount received by you or your beneficiary depends on investment performance and is not guaranteed.
- Your Policy should be assigned to your intended beneficiary (or to an appropriate bare trust) after it is issued. Under current rules, the assignment is potentially exempt from inheritance tax in the UK. However, if you die within the seven years following the assignment you will be subject to inheritance tax at up to 40% of the value transferred.
- 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 you or your beneficiary may not get back the original amount invested, especially in the early years. 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 the payment.
- 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.
- Future changes in law and its interpretation may affect the tax treatment of your Policy and therefore the amount received by you or your beneficiary.
- If you cancel your Policy within the thirty-day cancellation period, you may get back less than you invested.
- Any applicable Luxembourg policyholder protection provisions are not a compensation or guarantee scheme.
- **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 ACCUMULATION & MAINTENANCE PLAN?

- The Accumulation & Maintenance Plan a single premium, unit-linked whole-of-life assurance policy issued by the Insurer.
- It incorporates specific limits on rights of withdrawal, Regular Withdrawal and surrender, as chosen by you at the outset.
- The Policy is designed to be transferred to your intended beneficiary or trustees on behalf of the beneficiary while limiting how and when the beneficiary accesses the Policy value.
- It is not possible to select the particular property underlying the Policy. The Underlying Assets remain the sole property of the Insurer at all times.
- The Policy is intended to increase the value of your investment and to pay a benefit (to the beneficiary) on death of the last surviving Life Assured (or earlier surrender if permitted).
- Your 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 Application Form offers you options to limit the method and extent of access to the value of the Policy by way of withdrawals, Regular Withdrawals and surrender. You must also choose a Suppression Period during which these limits will apply.

The Policy itself should then be assigned to your intended beneficiary or, if the beneficiary is under 18, to a bare trust for his or her benefit. A sample Deed of Assignment and sample Bare Trust Deed are provided as part of your application documents, for consideration with your legal adviser. You should carefully consider, with your adviser, who will be the bare trustees, if applicable.

Once the Policy has been assigned to your intended beneficiary, the beneficiary's ability to extract money from the Policy is subject to the limits imposed by you in the Application Form.

When the Suppression Period expires, all limits on the Policy are removed automatically and the beneficiary is free to take money from the Policy.

### 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 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 are made and charges are 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 on the performance of the Underlying Assets and on whether and to what extent withdrawals 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?

After assignment of the Policy to your intended beneficiary (or bare trust), you have no further rights under the Policy.

The beneficiary or bare trust to whom the Policy is assigned may have the ability to access money from the Policy, by withdrawals, Regular Withdrawals or surrender, depending on what you have specified 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 charges (including charges for withdrawal).

You should remember that the value of the Policy will fall if the level of withdrawals exceeds any 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 legal owners will be entitled to the Policy:

- If you are the Life Assured and you die before assignment of the Policy to your intended beneficiary, the Policy Proceeds are paid to your legal personal representatives. If your death occurs after assignment then the Policy Proceeds are paid to the assignee.
- If you are survived by one or more Lives Assured then the Policy will continue after your death, whether this occurs before or after assignment. On the death of the last surviving Life Assured, the Policy Proceeds become payable to the Policyholder at that time (or to that person's personal representatives if deceased).

The total amount payable on the death of the last surviving Life Assured is the Portfolio Value plus an additional Death Benefit. Unless Enhanced Death Benefit has been agreed, the Death Benefit is set at one per cent of the Cash Surrender Value and is limited to £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 an up-front 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.

If a surrender or a withdrawal is made from the Policy within the Initial Period stated in the Application Form then 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 Commissariat aux Assurances;

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 semi-annual 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, the assignment of the Policy to your intended assignee or to an appropriate bare trust will be a potentially exempt transfer for inheritance tax purposes with the result that no inheritance tax will be due at the time of the assignment. However, if you die within the seven years following the assignment, inheritance tax will be due.
- The assignment of the Policy will not be a chargeable event for income tax purposes.
- Any growth in the Portfolio will be free of income and capital gains tax, though withholding tax may apply to the Underlying Assets in some jurisdictions.
- The Policyholder at the relevant time may have to pay income tax on withdrawals and/or surrender. For UK taxpayers, there are limited exceptions. Tax charges may therefore arise after the Policy has been assigned and may be triggered by actions taken which are outside the original Policyholder's control.
- Policyholders who are UK resident individuals may normally withdraw up to 5% per annum of the Premiums paid without incurring tax charges. However, you should note that if you instruct the Insurer to deduct Ongoing Adviser Charges from the Policy, such charges will reduce or extinguish the amount of any 5% tax-deferred annual allowance available.
- Income tax may also be payable on death of the last surviving Life Assured.

**The precise effect of taxation on the benefits you obtain from the Policy will depend on 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 the United Kingdom 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 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.

If you have asked us to pay Advice Fees from your Premium or Policy, any such amount paid will not be refunded by the Insurer in the event of cancellation of the Policy.

### 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 Policy'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

Utmost Luxembourg S.A. 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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