

# EVOLUTION TION

KEY  
FEATURES

A WEALTH *of* DIFFERENCE

utmost™  
WEALTH SOLUTIONS



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

Evolution is issued by Utmost International Isle of Man Limited.

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The Financial Conduct Authority is a financial services regulator. It requires us, Utmost International Isle of Man Limited, to give you this important information to help you to decide whether Evolution 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

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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. 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 to make it easier to find.

# IMPORTANT INFORMATION

## WHAT IS EVOLUTION?

Evolution is an international single premium investment bond that can be set up on either a capital redemption or life assurance basis. Please see the 'What Happens to the Bond When I Die?' section on page 9 for more details on the differences between the capital redemption and life assured basis.

The money you invest is used to purchase units in funds that are linked to the stock markets and deposits. This combines your investment with other investors who have similar objectives.

## WHO SHOULD CONSIDER EVOLUTION?

Evolution should be considered by UK residents who can afford to meet the minimum investment amount and are aged 18 years or over.

## IT AIMS

- › to increase the value of your investment by allowing your funds to be placed into a wide range of assets linked to stock markets and other investments over the medium to long term
- › to allow you to take single or regular withdrawals of your invested money (or 'capital'), and make additional investments during the term of the bond.

## YOUR INVESTMENT

You must invest at least £50,000 (US\$100,000 or €75,000).

The bond should be viewed as a medium to long term investment (meaning 5 to 10 years or longer). Whilst there is no fixed term, you should consider maintaining the investment for at least five years.



If you ask us to pay an initial charge for advice to your financial adviser from the payment you send to us before it is invested, the amount you send must total at least the minimum investment amount of £50,000, plus any agreed initial charge for advice.

See the 'What Charges For Advice Will I Pay?' section on page 6 for more information about the different types of charges we can arrange.



Read the 'What is Evolution?' section of the **Product Guide** for further information.

# RISKS

When considering applying for an Evolution bond, you should bear in mind the following risks:

## RISKS RELATING TO LINKING YOUR INVESTMENT TO FUNDS

- › The funds available under the bond are linked to stock markets and other investments. Their value will fall and rise in line with these markets. The surrender value of the bond is not guaranteed and you may get back less than you originally invested
- › If the bond invests in a fund that is set up in a different currency from the bond, a currency conversion charge will apply. All costs and exchange risks associated with currency conversion will be charged to the bond. You should keep in mind that currency exchange rate fluctuations may affect the value of your bond
- › If the growth of your chosen fund(s) does not cover the charges, then this will lower the value of your investment
- › Some of the funds in which you can invest may carry additional risks because of the types of asset 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 movements in performance 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.

## GENERAL

- › You are only covered by a compensation scheme if we become unable to meet our financial obligations. In other circumstances, such as when a fund manager or a deposit taker (bank or building society) 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 bond could change in the future and depends on your individual circumstances
- › 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 investments after charges. In addition, the potential for growth may be lower than that noted in your Personal Illustration
- › The bond's charges may increase in the future beyond those shown in your Personal Illustration.



There are other risks which could affect the performance of the funds that you invest in.

For more details speak with your financial adviser and refer to the **Fund Specific Risks** document.

# QUESTIONS AND ANSWERS

## 1. CAN I CHANGE MY MIND?

You currently have 30 days to cancel the bond. The 30 day clock begins on the day you receive **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 request, 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 you originally invested, minus any charges for advice that have already been 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 applied by the deposit taker or fund manager for early cancellation these will be passed on to you.

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

## 2. WHAT CHARGES DO YOU APPLY?

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

A summary of our charges is 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 you pay these charges depends on the options you choose when managing your investment
- › **Investment Charges and Costs** - These charges are for the investment and fund choices you make. They depend on the funds and investment services chosen, and include any charges made by the underlying fund manager for administering the fund.

There may be factors which result in changes to our costs, for example if tax rules change. We will tell you 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. Payment charges are based on the 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 WILL I PAY?

We can apply charges to the bond for the advice provided to you by an appointed financial adviser or investment adviser in the following ways:

- › **Outside of the bond** - For advice provided by the financial adviser, an initial adviser charge can be taken outside of the bond before your premium is invested. If you would like us to apply an initial charge outside of the bond to be paid to your financial adviser, you will need to complete the relevant section within the application form
- › **Inside of the bond** - Initial, ongoing or one-off charges can be applied as a payment from the value of the bond after the premium is invested. If you would like us to facilitate charges from inside the bond complete the relevant sections within the **Adviser Charges Pack**.

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



If you choose to pay any charges for advice from the value of the bond, then depending on the type of advice given, 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, see the charges for advice section of our **Guide to Charges**.

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#### 4. HOW DO I INVEST?

You can send your investment to us by BACS, Faster Payment, CHAPS, Telegraphic Transfer, banker's draft or cheque. Your bank may charge you for some of these services.

##### **Can more money be invested in the bond?**

Yes. Further lump sum investments can be made at any time, and each investment made will have its own charges at the rates applicable at the time they are made. The current minimum is £5,000 (US \$10,000 or €7,500).

We reserve the right to change these minimum amounts in the future.

#### 5. HOW DOES MY BOND WORK?

##### **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 circumstances, interest charges will be applied on this debit balance.

For funds and cash deposits, the minimum investment amount will be determined by each investment manager.

##### **Can I change the investments linked to the bond?**

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

There is a charge for each sale and purchase of funds or cash deposits. Please see your Personal Illustration for details of the current charge.

##### **Can I nominate an Investment Adviser or an External Manager and/or Custodian?**

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.

If we are asked to appoint an External Manager and/or Custodian the standard quarterly administration charge that we apply for External Manager and/or Custodian cases will be applicable to each External Manager and/or Custodian appointed. In cases where the External Manager and/or Custodian 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 External Manager and/or Custodian will also charge for their service.

Charges applied by an investment adviser for investment advice can be paid in a number of ways as described on page 6.

If you 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 for more information.

Charges for investment advice applied by an External Manager and/or Custodian will be applied directly from the External Account you hold with them and will not be facilitated by Utmost. Please contact your External Manager and/or Custodian directly to set up a separate agreement for these payments.

The appointment of an investment adviser or External Manager and/or Custodian is subject to our agreement.

For more information see our separate **Guide to Charges** document.

##### **How will I know what my Bond is worth?**

You can register for our website at [www.utmostinternational.com](http://www.utmostinternational.com) to see the value of your bond at any time. If you prefer, you can contact our Customer Support team on **+44 (0) 1624 643 345** for a valuation.

An annual paper statement will be sent to you by post on the bond's anniversary. Additional paper statements are available on request however, there will be a charge for this.

# QUESTIONS AND ANSWERS CONTINUED

## 6. CAN I TAKE WITHDRAWALS OR SURRENDER THE BOND?

Yes. The following options are available to you:

- › Regular withdrawals of capital, you must take at least £200 (US \$400 or €300) per payment
- › Single withdrawals of capital of at least £500 (US \$1,000 or €750) per payment can be requested
- › Surrender of individual segments within the bond, the payment must be at least £500 (US \$1,000 or €750)
- › Full surrender of your bond.



- › There is a dealing charge for the sale of funds or withdrawals from cash deposits
- › There may be a charge for breaking a fixed deposit early or not providing the required notice. Some assets may carry exit charges
- › If you surrender one or more segments within your bond, any applicable charges for advice will be redistributed to other segments in your bond, where appropriate.

## Are there any restrictions?

We reserve the right to delay payment indefinitely under certain circumstances. This may be for example, where we have to sell assets held in the funds linked to your bond and we are unable to do this immediately.

- › If you fully surrender your bond and are paying charges for advice from the bond, any outstanding or further charges due on or after the day of surrender will be stopped. Where applicable, you will be responsible for paying your adviser and/or External Manager and/or Custodian directly
- › A minimum balance of £10,000 (US \$20,000 or €15,000) must remain in the bond. If the bond falls below the minimum amount required to keep the bond active, any charges for advice agreed to be paid from the bond will be stopped. If any amount requested to be paid to cover charges for advice would take the bond below this minimum, then the request will not be processed and we will write to you and tell you. In both these instances, you will need to pay any outstanding charges for advice directly to your adviser and/or External Manager and/or Custodian.



Refer to the 'Getting Money From the Bond' section of the **Product Guide** for more information.

## 7. WHAT ABOUT TAX?

### 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 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 taken at source and which cannot be reclaimed. This is known as Withholding Tax. Tax rules can change and this position may alter in the future.

### Will I have to pay tax?

Under current legislation, you could have a personal income tax liability on any gains if you are resident in the UK for tax purposes when benefits are taken. Income tax on the gain will depend on your rate of tax and individual circumstances.

For UK resident policyholders we will notify HM Revenue & Customs about any proceeds if this creates a chargeable gain. We strongly recommend that you consult your financial adviser to discuss your personal tax position.

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

If you withdraw more than 5% of the amount you originally invested in any policy year then the excess will cause chargeable gain, and may be liable to income tax.

Where a partial surrender taken across all segments has exceeded the 5% annual tax-deferred allowance within a policy year, the chargeable event certificate will be dated and issued to you on the policy anniversary.

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Where a chargeable gain has occurred due to surrendering one or more policy segments, the chargeable event date will be the date the transaction is processed by our Claims team and the chargeable event certificate will be issued to you once your payment has been completed.

Any withdrawal in excess of the 5% annual tax-deferred entitlement may also affect the availability of any age-related allowances you may be entitled to.

## 8. WHAT HAPPENS TO THE BOND WHEN I DIE?

If you choose a capital redemption bond, it doesn't end on death. Ownership passes to the surviving policyholders or to your personal representatives.

If you choose a life assurance bond, the bond will end on the death of the last life assured. If you are the last life assured, the proceeds are paid out to your personal representatives.



Any adviser charges paid to a financial adviser (on any matters not relating to investment advice), which you have agreed with them to be paid through the bond, will be treated as a withdrawal and will make up part of your 5% annual tax-deferred entitlement.

The information contained in this document is based on our interpretation of current law and taxation practice in the Isle of Man and the UK as at 1 January 2022. Tax treatment is subject to change and individual circumstances.



If the bond is brought to an end, any outstanding payments in relation to charges for advice that are due to be paid from the bond to your adviser and/or External Manager and/or Custodian may still need to be settled. Any remaining policyholders, or if there are none, your estate, will need to settle any outstanding charges for advice directly with the relevant party.



Further information can be found in the 'Getting Money From the Bond' section of the **Product Guide**.



Refer to the 'How is my bond taxed?' section of the **Product Guide** for further information.

# 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 policyholders will be entitled to claim up to 90% of our liabilities to them as compensation from the Scheme.

The Isle of Man Scheme may reduce any claim if you are protected under any other compensation scheme. In common with all Isle of Man life insurers, if there is a call on the Scheme by any Isle of Man based life insurance company participating to the Scheme, 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.

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

## LAW AND LANGUAGE

The bond is governed by Manx Law. The Isle of Man Courts shall have exclusive jurisdiction to decide any disputes that arise in connection with any such bond. Any waiver of such exclusive jurisdiction shall be at the discretion of Utmost International Isle of Man Limited, such discretion to be exercised reasonably.

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 Evolution bond, please contact your financial adviser for more information.

## 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 key disclosure documents.

If you are intending to ask us to pay an advice charge payment on your behalf, either from your payment to us or from the value of the bond, please make sure 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 January 2022. If you are not sure if you have the most up to date version, ask your financial adviser to confirm.

## TERMS AND CONDITIONS

These Key Features give a summary of Evolution. 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 contact us or your financial adviser.



Refer to the 'About Us' and 'How We Work' sections in the **Product Guide** for more information.

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## COMPLAINTS

We will do everything in our power to prevent a complaint and in many cases, we can resolve the issue direct with you.

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/ombudsman](http://www.gov.im/ombudsman)

# 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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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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Registered Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.  
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All promotional material has been approved by Utmost International Distribution Services Limited which is authorised in the UK by the Financial Conduct Authority.  
Financial Services register number: 1007096.

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.

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