

# CHANGE OF INVESTMENT MODEL (MULTI- INVESTMENT MODEL)

## UNITED KINGDOM

Utmost Wealth Solutions is the brand name used by a number of Utmost companies. This item has been issued by Utmost Luxembourg S.A.

Words in the singular include the plural and vice versa. A reference to one gender includes a reference to the other gender.

Policy Number

THIS ADDENDUM is made the

[Date]

BETWEEN:

1. **Utmost Luxembourg S.A.**, an insurer incorporated under the laws of the Grand Duchy of Luxembourg under company number R.C.S. Luxembourg No. B37604 and with registered office at 4 rue Lou Hemmer, L-1748 Luxembourg, Grand-Duché de Luxembourg

(the "**Insurer**")

and

1.  [Policyholder(s) name]

(the "**Policyholder**").

### WHEREAS

- I. The Policyholder is the holder of a policy numbered  [policy number] with the Insurer (the "**Policy**").
- II. The Policyholder wishes to make certain amendments to the terms and conditions of the Policy such that Qualifying Assets may be selected.

### INTERPRETATION

- I. In this Addendum, a reference to any statute, statutory provision or subordinated legislation is a reference to it as it is in force from time to time, taking account of any amendment or re-enactment.
- II. The terms and conditions of the Policy are amended by, and must be read in light of, the following.
- III. Terms not defined in this Addendum shall bear the meanings attributed to them in the Policy.
- IV. This Addendum supersedes any previous addendum of the same name.

**1 FUND SELECTION**

1.1 QUALIFYING ASSETS

- a) The Policyholder or any adviser he has authorised to do so (“**Adviser**”) may select, and may only select as assets by reference to which all or part of the value of the Policy will be determined (“**Underlying Assets**”), assets permitted by the Commissariat aux Assurances, the Luxembourg insurance regulator, falling within the following categories and, in each case, made available by the Insurer to all of its policyholders or to a class of policyholders of which the Policyholder is a member (“**Qualifying Assets**”):
  - i. units of internal linked funds (within the meaning of category 1 of the table at s.520(2) Income Tax (Trading and Other Income) Act 2005 (“**ITTOIA**”) established by the Insurer;
  - ii. units in external funds made available by the Insurer and falling within the scope of category 2, 3, 4, 7, 8 or 9 of the table at s.520(2) ITTOIA; or
  - iii. cash within the meaning of category 5 of the table at s.520(2) ITTOIA each as further defined in s.520(4), although the value of the Policy may under no circumstances be linked to cash in a foreign currency if such cash is held wholly or partly for the purpose of generating a gain through its disposal.
- b) Subject to clause 2, the Policyholder shall ensure that the portfolio of Underlying Assets (the “**Portfolio**”) is composed only of Qualifying Assets.
- c) The Insurer reserves the right to reject or dispose of any Underlying Asset, including any internal linked fund asset, at its absolute discretion in order to ensure that the Portfolio continues to comply with applicable law and regulation.
- d) The Policyholder or authorised Adviser may, at any time, request that Qualifying Assets to which the Policy has been linked in accordance with clause 1.1 a) be substituted by other Qualifying Assets permissible under clause 1.1 a), in which case the Insurer will establish the redemption value of the existing Qualifying Assets and apply such redemption value to the acquisition of the new Qualifying Assets.
- e) The availability of Qualifying Assets, the terms applicable to them and the criteria for membership of any class of eligible policyholders are specified in the Insurer’s records. Such information may be obtained by the Policyholder on request.
- f) The Insurer will select or substitute Qualifying Assets on the next practicable Dealing Day following receipt of a request to do so.
- g) The Policyholder shall have no right to make or receive payments under the Policy other than in Qualifying Assets.

**Details of the Adviser**

Name of company			
Contact person			
Registered number		Regulated by	
Address			
Street/N°			
City/County		Postcode	
Country			
Telephone		E-mail	
Mobile number			

1.2 POLICYHOLDER DECLARATIONS

I, the undersigned Policyholder, acknowledge and agree:

- a) that the Insurer does not provide, and has not provided, me with any legal, tax or investment advice in relation to my choice of Qualifying Assets;

- b) that I will, whether directly or via my appointed Adviser, select Qualifying Assets of my own accord, having taken such legal, tax and/or investment advice as may be necessary in the circumstances, having consulted the prospectus or fund flyer of each Qualifying Asset and having identified the risks involved in the selection;
- c) that I will bear any investment risk inherent in my selection;
- d) that the Insurer will not provide an investment management service in respect of the element, of the Portfolio of Underlying Assets to which the Qualifying Asset investment model applies;
- e) that Qualifying Assets will only be selected or substituted at my request and that all such requests must be made on a Dealing Form;
- f) that the Insurer accepts no responsibility whatsoever for my choice of Qualifying Assets;
- g) that the Qualifying Assets chosen will directly influence the value of my Policy and that the value of investments may fall as well as rise;
- h) that past performance is not necessarily an indicator of future performance;
- i) that if the Portfolio comprises assets of limited liquidity, this may significantly and adversely affect the processing of any withdrawal, surrender or death claim;
- j) that although the Insurer will endeavour to process dealing instructions as quickly as possible, there can be a delay in their execution;
- k) that in the event that any transaction is made in breach of the investment rules of the CAA, the Insurer will require that I complete the necessary operations in order to ensure that the Portfolio complies with the CAA rules. In this context, a request sent to my Adviser will be regarded, and effective, as a request sent to me/us; and
- l) that should an investment breach not have been rectified within 15 calendar days of notification, the Insurer is entitled to carry out such transactions in available Qualifying Assets as may be necessary in order to return the Portfolio to compliance.

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### 1.3 SPECIFIC DISCLOSURE MANDATE

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I, the undersigned Policyholder, give the following Specific Disclosure Mandate ("Mandate"):

- a. The Policyholder expressly grants (i) the Custodian Bank, or any of its officers, agents or employees and (ii) the Investment Manager, or any of its officers, agents or employees, and/or (iii) the Adviser, or any of its officers, agents or employees, the power and instructs them, by virtue of this Mandate, (a) to obtain, at its free discretion, from the Insurer with registered office at 4, rue Lou Hemmer, L-1748 Luxembourg, Grand-Duché de Luxembourg, or any of its officers, employees or agents, any information, documentation and/or data, be it confidential or otherwise, relating directly or indirectly to any aspects of the Policy (including, without limitation, in relation to the Beneficiary(ies)) and (b) to communicate any such information, documentation and/or data obtained from the Insurer to any public authority (including, without limitation, courts, surveillance authorities, public registers, or any governmental body or agency) where such disclosure is required under local laws or regulations by virtue of the subscription to, or the existence of, the Policy. This information, documentation and/or data may be communicated by means of telephone, facsimile, post (registered or not) or by any electronic means. Processing of such information and data that constitutes personal data will be made in the manner and for the purposes set forth in the Policy.
- b. This Mandate will survive the death of, or, where applicable, any insolvency proceeding commenced against, the Policyholder. If any party to this Mandate is the subject of a merger, conversion or consolidation into another corporate entity, the resultant entity shall (to the extent permitted by applicable law) be the successor of such party. In such event, any of the parties may terminate this Mandate without notice within 30 days of being notified of the event. In the absence of termination in this manner, the present Mandate shall remain in force. It is subject to the general terms and conditions of the Policy.
- c. This Mandate shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg. The courts of Luxembourg shall have exclusive jurisdiction in respect of any dispute relating to the existence, interpretation, validity and performance of this Mandate. This Mandate is not limited in time and may be terminated by each party at any time by registered letter. It is subject to the general terms and conditions of the Policy.

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### 1.4 ADVISER CHARGES

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In addition, I instruct the Insurer to deduct the Ongoing Advice Fee below and pay it to my appointed Adviser. I have read the charges applicable to the Policy, understood their operation and agree to their implementation on the Policy.

The Ongoing Advice Fee will be  % per annum.

**Important Notes:**

- i. Should you wish to cancel the facilitation of the Ongoing Advice Fee, the Insurer will require your written instruction to do so.
- ii. The Insurer will not refund any fees paid to your Adviser.
- iii. The Insurer accepts no liability for any dispute arising between you and your Adviser over payment or refund of fees.
- iv. The deduction of an Ongoing Advice Fee will reduce any available 5% annual tax-deferred allowance.

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## 1.5 POLICYHOLDER AND ADVISER DECLARATIONS

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I and the Adviser agree to:

- a) comply with the investment rules of the CAA attached as Annex 1 as may be amended by the Insurer from time to time;
- b) ensure that sufficient cash is generated to cover fees, charges and any other amounts payable from the Policy;
- c) ensure that the requisite liquidity is generated in order to fund withdrawals, and regular withdrawals, and the acquisition of Qualifying Assets;
- d) avoid the creation or persistence of overdrafts and, when redeeming Qualifying Assets to create liquidity for other Qualifying Asset purchases, to keep settlement dates in mind; and
- e) comply with instructions from the Insurer to generate liquidity. Should an instruction not have been carried out within 3 days of receipt, the Insurer will be entitled to sell such Underlying Assets as may be necessary in order to cover liquidity needs and to charge the associated expenses to the Policy.

The Adviser confirms:

- a) that it has such authorisations and licences, with the relevant regulatory bodies, as are necessary for it to act as contemplated herein;
- b) that it is not and has not been in breach of the terms of any such authorisations and/or licences and that, in the exercise of the activities contemplated herein, it will comply with all applicable laws and regulations; and
- c) that each instruction to transact in Qualifying Assets will be transmitted with the Policyholder's agreement and that it will retain and make available evidence of the Policyholder's agreement to each investment instruction for five years, and will do so regardless of whether or not the Insurer requests to see such evidence.

## 2. DISCRETIONARY INVESTMENT MANDATES

- a) The Insurer may from time to time make available discretionary investment mandates. If the Policyholder has chosen a discretionary investment mandate in the application form or by such other method as the Insurer may have prescribed, this clause 2 will apply.
- b) Clause 1 will not apply to the element of the Portfolio in respect of which a discretionary investment mandate has been selected. For elements of the Portfolio for which a discretionary mandate has not been selected, clause 1 would apply.
- c) The Insurer will appoint an investment manager with full powers of acquisition, disposition and transposition of Underlying Assets, in accordance with the chosen discretionary investment mandate. Any appointment of an investment manager will comply with clause 3.
- d) The element of the Portfolio in respect of which a discretionary investment mandate has been chosen will be managed by the investment manager in accordance with the chosen discretionary investment mandate. External fund assets will continue to be managed by the appointed fund manager in accordance with the investment strategy of the relevant external fund.
- e) The Policyholder may request a change of discretionary investment mandate at any time. If accepted, the change will take effect within ten business days beginning on the business day after the Insurer receives such request.

## 3. EXCLUDED PERSONS

- a) Notwithstanding anything to the contrary in this Addendum, none of the persons referred to in clause 3 b) (and no combination of any one or more of those persons) will, under any circumstances, have any direct or indirect right, power or other ability to select or to influence or control in any way whatsoever the selection of:
  - i. the investment strategy of an asset made available by the Insurer as a Qualifying Asset;

- ii. assets at any time directly or indirectly (whether through a holding company or otherwise) comprised in an asset made available by the Insurer as a Qualifying Asset or which are in any way directly or indirectly linked to the value of such asset;
  - iii. Underlying Assets managed by an investment manager appointed by and acting for the Insurer; or
  - iv. assets not permitted by clause 1.1.
- b) The persons referred to in clause 3 a) are:
- i. the Policyholder;
  - ii. a person acting on behalf of the Policyholder;
  - iii. a person connected with the Policyholder;
  - iv. a person acting on behalf of a person connected with the Policyholder;
  - v. the Policyholder and a person connected with the Policyholder;
  - vi. a person acting on behalf of both the Policyholder and a person connected with the Policyholder.
- c) For the purposes of this clause any question of whether a person is connected with another will be determined in accordance with the provisions of ss. 993 and 994 Income Tax Act 2007, as may be amended. For the avoidance of doubt, if at any time there are two or more persons who are the Policyholder then references to the Policyholder include any of those persons.
- d) The Policyholder will give the Insurer, or any person authorised by the Insurer, such information as the Insurer may from time to time require to ensure compliance with clause 3 a).
- e) For the avoidance of doubt, the investment managers of the Policy and of each of the Insurer's internal linked funds are appointed by and act on behalf of the Insurer and not any person referred to in clause 3 b).

#### 4. PRECEDENCE

The provisions of this Addendum apply notwithstanding, and prevail over, anything inconsistent or to the contrary, expressed or implied, in the Policy or its general conditions or any other conditions or annex or terms applicable to the Policy.

#### 5. GOVERNING LAW AND JURISDICTION

This Addendum shall be governed by and construed in accordance with the laws governing the Policy, and the courts of the jurisdiction whose laws govern the Policy shall have exclusive competence.

##### Policyholder 1

##### SIGNATURE

Date

d	d	m	m	y	y	y	y
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Place

**Policyholder 2**

**SIGNATURE**

Date

d	d	m	m	y	y	y	y
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Place

**Policyholder 3**

**SIGNATURE**

Date

d	d	m	m	y	y	y	y
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Place

**Policyholder 4**

**SIGNATURE**

Date

d	d	m	m	y	y	y	y
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Place

**Adviser**

**SIGNATURE**

Date

d	d	m	m	y	y	y	y
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Place

**Utmost Luxembourg S.A.**

**SIGNATURE**

Date

d	d	m	m	y	y	y	y
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Place

INVESTMENT RULES FOR INTERNAL FUNDS

CLASSIFICATION OF THE POLICYHOLDER	D
MINIMUM INVESTMENT OF THE POLICYHOLDER IN ALL LIFE INSURANCE CONTRACTS	€ 1,000,000
MINIMUM TO BE INVESTED IN THE INTERNAL DEDICATED FUND	€ 125,000
MINIMUM TO BE INVESTED IN THE INTERNAL SPECIALISED ASSURANCE FUND	NOT APPLICABLE
POLICYHOLDER'S WEALTH INVESTED IN TRANSFERABLE SECURITIES	€ 2,500,000

INTERNAL FUND OF TYPE D

- › **No limit is imposed by the Commissariat aux Assurances in terms of either issuer limits or global limits.**
- › **These rules are applicable without any domiciliation restrictions.\***
- › **Bank accounts in precious metals can be used\*\*.**
- › **Derivative products can also be used to generate income.\*\*\***

\* Domiciliation restrictions may be applied to products not traded on a regulated market (refer to Utmost Luxembourg S.A. for further details).

\*\* Physical commodities remain strictly forbidden in any type of funds.

\*\*\* Luxembourg insurance law permits the use of derivatives but only where the custodian bank which holds the assets underlying the life company's technical reserves does not require the life company to pledge the underlying assets to cover the derivative transaction. Should the custodian bank require a pledge or collateral agreement to be signed, the request will be rejected and no derivative position will be taken.

**For an internal fund of type D, investments have to comply with the catalogue of assets as described below:**

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the request of one of the parties (other than by reason of a default or other termination event);
6. Options, futures, swaps and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market and/or Multilateral Trading Facility (MTF);
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that can be physically settled, not otherwise mentioned in point 6, and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the request of one of the parties (other than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

CLASSIFICATION OF THE POLICYHOLDER	C	B	A	N	
MINIMUM INVESTMENT OF THE POLICYHOLDER IN ALL LIFE INSURANCE CONTRACTS	€ 250,000	€ 250,000	€ 125,000	< € 125,000	< € 125,000
MINIMUM TO BE INVESTED IN THE INTERNAL DEDICATED FUND	€ 125,000	€ 125,000	€ 125,000	Internal Collective Funds (BMF)	Other Internal Funds (PCP/SAF/VIP)
MINIMUM TO BE INVESTED IN THE INTERNAL SPECIALISED ASSURANCE FUND	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE		
POLICYHOLDER'S WEALTH INVESTED IN TRANSFERABLE SECURITIES	> € 1,250,000	> € 500,000	> € 250,000		

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CATEGORIES		C		B		A		N		N	
A	BONDS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
1	Bonds of an EEA government issuer	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
2	Bonds of a government issuer of the A Zone countries outside the EEA	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
3	Bonds of international organisations of which at least two EEA Member States are members	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
3a	Bonds of banks issuing mortgage bonds	100%	100%	100%	100%	100%	100%	50%	100%	0%	0%
4	Bonds of a non-government issuer of the EEA traded on a regulated market	100%	100%	30%	100%	20%	100%	10%	100%	0%	0%
5	Bonds of a non-government issuer of the A Zone countries outside the EEA traded on a regulated market	100%	100%	30%	100%	20%	100%	10%	40% <sup>1</sup>	0%	0%
6	Bonds of an issuer outside the A Zone countries traded on a regulated market of the EEA	100%	100%	2.5%	10% <sup>2</sup>	1%	5% <sup>2</sup>	0,5%	2.5% <sup>2</sup>	0%	0%
7	Bonds of an issuer outside the A Zone countries traded on a regulated market outside the EEA approved by the CAA	100%	100%	2.5%	10%	1%	5%	0%	0%	0%	0%
8	Bonds of a non-government issuer of the A Zone countries not traded on a regulated market	100%	100%	10%	20% <sup>3</sup>	10%	20% <sup>3</sup>	5%	10% <sup>3</sup>	0%	0%

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A	BONDS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
9	Bond-type structured products fulfilling the conditions set out in 5.6.3 of the Circular Letter 15/3 (refer to Utmost Luxembourg S.A. for further details)										
9a	issued or guaranteed by a bank from the EEA traded on a regulated market	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
9b	issued or guaranteed by a bank from the EEA not traded on a regulated market	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
9c	issued or guaranteed by a bank from the A Zone outside EEA traded on a regulated market	100%	100%	100%	100%	100%	100%	50% <sup>5</sup>	100%	0%	0%
9d	issued or guaranteed by a bank from the A Zone outside EEA not traded on a regulated market	100%	100%	100%	100%	50% <sup>6</sup>	100%	25% <sup>6</sup>	100%	0%	0%
9e	issued or guaranteed by an international financial entity from at least 2 Member States of the EEA	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
B	EQUITIES	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
1	Equities of an issuer of the EEA traded on a regulated market	100%	100%	30%	100%	20%	100%	10%	100%	0%	0%
2	Equities of an issuer of the A Zone countries outside the EEA traded on a regulated market	100%	100%	30%	100%	20%	100%	10%	40% <sup>1</sup>	0%	0%
3	Equities of an issuer outside the A Zone countries traded on a regulated market of the EEA	100%	100%	2.5%	10% <sup>2</sup>	1%	5% <sup>2</sup>	0.5%	2.5% <sup>2</sup>	0%	0%

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B	EQUITIES	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
4	Equities of an issuer outside the A Zone countries traded on a regulated market outside the EEA approved by the CAA	100%	100%	2.5%	10%	1%	5%	0%	0%	0%	0%
5	Equities of an issuer of the A Zone countries not traded on a regulated market	100%	100%	10%	20% <sup>3</sup>	10%	20% <sup>3</sup>	5%	10% <sup>3</sup>	0%	0%
6	Equity-type structured products fulfilling the conditions set out in 5.6.3 of the Circular Letter 15/3 (refer to Utmost Luxembourg S.A. for further details)										
6a	issued or guaranteed by a bank from the EEA traded on a regulated market	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
6b	issued or guaranteed by a bank from the EEA not traded on a regulated market	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
6c	issued or guaranteed by a bank from the A Zone outside EEA traded on a regulated market	100%	100%	100%	100%	100%	100%	50% <sup>5</sup>	100%	0%	0%
6d	issued or guaranteed by a bank from the A Zone outside EEA not traded on a regulated market	100%	100%	100%	100%	50% <sup>6</sup>	100%	25% <sup>6</sup>	100%	0%	0%
6e	issued or guaranteed by an international financial entity from at least 2 Member States of the EEA	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%
C	INVESTMENT FUNDS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
1	Investment funds compliant with the directive 2009/65/EC, as amended	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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C	INVESTMENT FUNDS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
2	Investment funds of a country of the EEA, non-compliant with the directive 2009/65/EC, as amended	100%	100%	100%	100%	50%	100%	25%	40% <sup>4</sup>	25%	40% <sup>4</sup>
3	Investment funds of a dependent territory of an EEA country	100%	100%	2.5%	100%	2.5%	100%	2.5%	5% <sup>4</sup>	2.5%	5% <sup>4</sup>
4	Investment funds of the A zone countries outside the EEA	100%	100%	100%	100%	50%	100%	25%	40% <sup>4</sup>	25%	40% <sup>4</sup>
5	Investment funds from outside the A zone countries	100%	100%	2.5%	100%	2.5%	100%	2.5%	5% <sup>4</sup>	2.5%	5% <sup>4</sup>
D	ALTERNATIVE FUNDS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
1	Simple hedge fund with enhanced quality criteria (refer to Utmost Luxembourg S.A. for further details)	100%	100%	30%	100%	20%	100%	0%	0%	0%	0%
2	Simple hedge fund without enhanced quality criteria	100%	100%	2,5%	10%	2,5%	10%	0%	0%	0%	0%
3	Fund of hedge funds with enhanced quality criteria (refer to Utmost Luxembourg S.A. for further details)	100%	100%	100%	100%	50%	100%	25%	40% <sup>4</sup>	25%	40% <sup>4</sup>
4	Fund of hedge funds without enhanced quality criteria	100%	100%	2,5%	100%	2,5%	100%	2,5%	5% <sup>4</sup>	2,5%	5% <sup>4</sup>
E	OTHER ASSETS	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT	LIMIT PER ISSUER	GLOBAL LIMIT
1	Real estate investment funds of the A Zone countries	100%	100%	5%	10%	5%	10%	2,5%	5%	2,5%	5%
2	Current, deposit at notice and time-deposit accounts	100%	100%	100%	100%	100%	100%	20%	20%	20%	20%

An internal fund of type B/A/N may not invest more than 30%/20%/10% respectively of its assets in securities other than the structured products of a single non-government issuer from Categories A and B above. In addition, the total value of the securities held by the internal fund in such issuers in which it invests over 10%/10%/5% respectively of its assets may not exceed 50%/40%/40% of the value of the fund's assets.

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## REMARKS

- <sup>1</sup> TYPE **N**: Global limit applicable to cumulative total of categories A5 and B2.
- <sup>2</sup> TYPE **A, B, N**: Global limit applicable to cumulative total of categories A6 and B3.
- <sup>3</sup> TYPE **A, B, N**: Global limit applicable to cumulative total of categories A8 and B5.
- <sup>4</sup> TYPE **N**: Global limit of 40% applicable to cumulative total of categories C2 to D4.
- <sup>5</sup> TYPE **N**: Issuer limit applicable to cumulative total of categories A4, A5, A8, A9c, B1, B2, B5 and B6c.
- <sup>6</sup> TYPE **A, N**: Issuer limit applicable to cumulative total of categories A4, A5, A8, A9d, B1, B2, B5 and B6d.

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## RULES / DEFINITIONS / GLOSSARY

### ADDITIONAL RULES OF THE CAA CIRCULAR LETTER 15/3 APPLICABLE TO INTERNAL FUNDS OF TYPE A, B, C AND N - CASES WHERE THE UNDERLYING ASSETS ARE HELD DIRECTLY WITHIN THE PORTFOLIO

#### Alternative Funds:

Internal Funds of type A, B & C: liquidity for Alternative Funds and Funds of Alternative Funds has to be at least six-monthly for fund type A and B, and yearly for type C. Type N: liquidity for Alternative Funds or Funds of Alternative Funds has to be at least monthly. **A specific client indemnity must be signed by the Policyholder prior to any exposure to such assets.**

#### Commodities:

Direct commodity investments and commodity certificates are not admissible.

However, commodity investments are admitted if effected via financial instruments held through funds.

Bank accounts in precious metals are allowed in Type D funds.

#### Derivatives:

**Are permitted for hedging purposes only and may not be used for speculative purposes.** For instance, Long Put and Short Call positions are admissible if the underlying assets are held within the portfolio.

#### Index Certificates:

Index certificates are classified and admitted according to the lower limit between the certificate itself and the underlying asset.

The limit to which an internal fund may invest in a certificate is the lower of the following two limits:

- › The limit that would be applicable to similar bonds issued by the same issuer;

› The limit that would be applicable to the assets to which the certificate is linked, if these assets were held directly in the account.

**Private Equity and Private Bonds:**

Admissible by the CAA if the unquoted asset is domiciled within the A Zone countries.

Each case will be subject to an internal review by Utmost Luxembourg S.A., which covers the following areas:

- › Company structure / activity / financial situation;
- › Shareholder list;
- › Availability of valuations.

**A specific client indemnity must be signed by the Policyholder prior to an exposure to such assets.**

**Real-Estate Funds:**

Internal Funds of type A, B & C: liquidity for Real-Estate Funds has to be at least six-monthly for Internal Funds of type A and B and yearly for type C. Type N: liquidity for Real-Estate Funds has to be at least monthly. **A specific client indemnity must be signed by the Policyholder prior to any exposure to such assets.**

**Direct Investments:**

Direct investments (i.e. bonds, equities, structured products, certificates etc.) domiciled outside the A Zone countries and not listed on a market approved by the CAA, are not admissible.

**ALTERNATIVE PRODUCTS: DUE DILIGENCE PROCESS**

Should the Investment Manager wish to invest in Alternative Products (Real Estate, Hedge Funds, Private Equity) for portfolios that he manages on Utmost Luxembourg S.A.'s behalf, he must provide the Insurer with a due diligence process for such Alternative Investments which needs to be in compliance with Circular 15/3 issued by the CAA.

**CLIENT SUITABILITY**

Policyholders are classified under one of the following 5 categories. All the funds, internal dedicated/collective/specialised, opened under the contracts of this Policyholder will be assigned the same classification as that of the Policyholder.

**Type N:** Default category.

**Type A:** Minimum premium invested by a Policyholder in all the contracts subscribed with our insurance company is EUR 125,000 and declared wealth of minimum EUR 250,000.

**Type B:** Minimum premium invested by a Policyholder in all the contracts subscribed with our insurance company is EUR 250,000 and declared wealth of minimum EUR 500,000.

**Type C:** Minimum premium invested by a Policyholder in all the contracts subscribed with our insurance company is EUR 250,000 and declared wealth of minimum EUR 1,250,000.

**Type D:** Minimum premium invested by a Policyholder in all the contracts subscribed with our insurance company is EUR 1,000,000 and declared wealth of minimum EUR 2,500,000.

The declared wealth is the total value of the financial instruments held by the Policyholder together with the bank accounts, the total value of the life-insurance contracts and the capitalisation contracts, decreased by the total value of the Policyholder debts.

The minimum investment into each internal dedicated fund is EUR 125,000.

## DEFINITIONS

### EEA (European Economic Area)

#### The member countries are:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom (Switzerland is not part of the EEA)

### A Zone countries

A Member State of the EEA or one of the following countries:

Australia, Canada, Japan, New Zealand, Switzerland and United States of America or any other countries where the prudential control similar to the one in place in EEA is available (refer to [www.bis.org/publ/bcbs260\\_fr.pdf](http://www.bis.org/publ/bcbs260_fr.pdf) - Brazil, China, Hong Kong, India, Republic of Korea, Saudi Arabia, Singapore, South Africa, Turkey).

### Dependent Territory (Only the following countries are dependent territories of European countries)

**Netherlands:** Dutch Antilles - **United Kingdom:** Bermuda, British Virgin Islands, Cayman Islands, Channel Islands, Gibraltar and Isle of Man.

## GLOSSARY

**CAA:** The Commissariat aux Assurances is the regulator of the Luxembourg insurance industry.

**Dedicated Internal Fund:** An internal fund directly linked or otherwise, without a guaranteed return and serving as the support for a single contract and managed by an asset manager.

**Collective Internal Fund:** An internal fund without a guaranteed return open to a multitude of Policyholders.

**Specialised Assurance Fund:** An internal fund directly linked or otherwise, without a guaranteed return, serving as the support for a single contract.

**Directive 2009/65/EC:** European Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to the Undertakings for Collective Investment in Transferable Securities (UCITS).

**Regulated Market of the EEA:** A market listed in Article 47 of Directive 2004/39/CE on investment services in the securities field.

**Regulated Market outside the EEA:** The CAA recognises regulated markets outside the EEA which are members of the World Federation of Exchanges. A list of members may be found at [www.world-exchanges.org](http://www.world-exchanges.org).

## A WEALTH *of* DIFFERENCE

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

Utmost Luxembourg S.A. is registered with R.C.S. under number B37604 and regulated by the Commissariat aux Assurances (CAA)  
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Utmost Wealth Solutions is registered in Luxembourg as a business name of Utmost Luxembourg S.A.