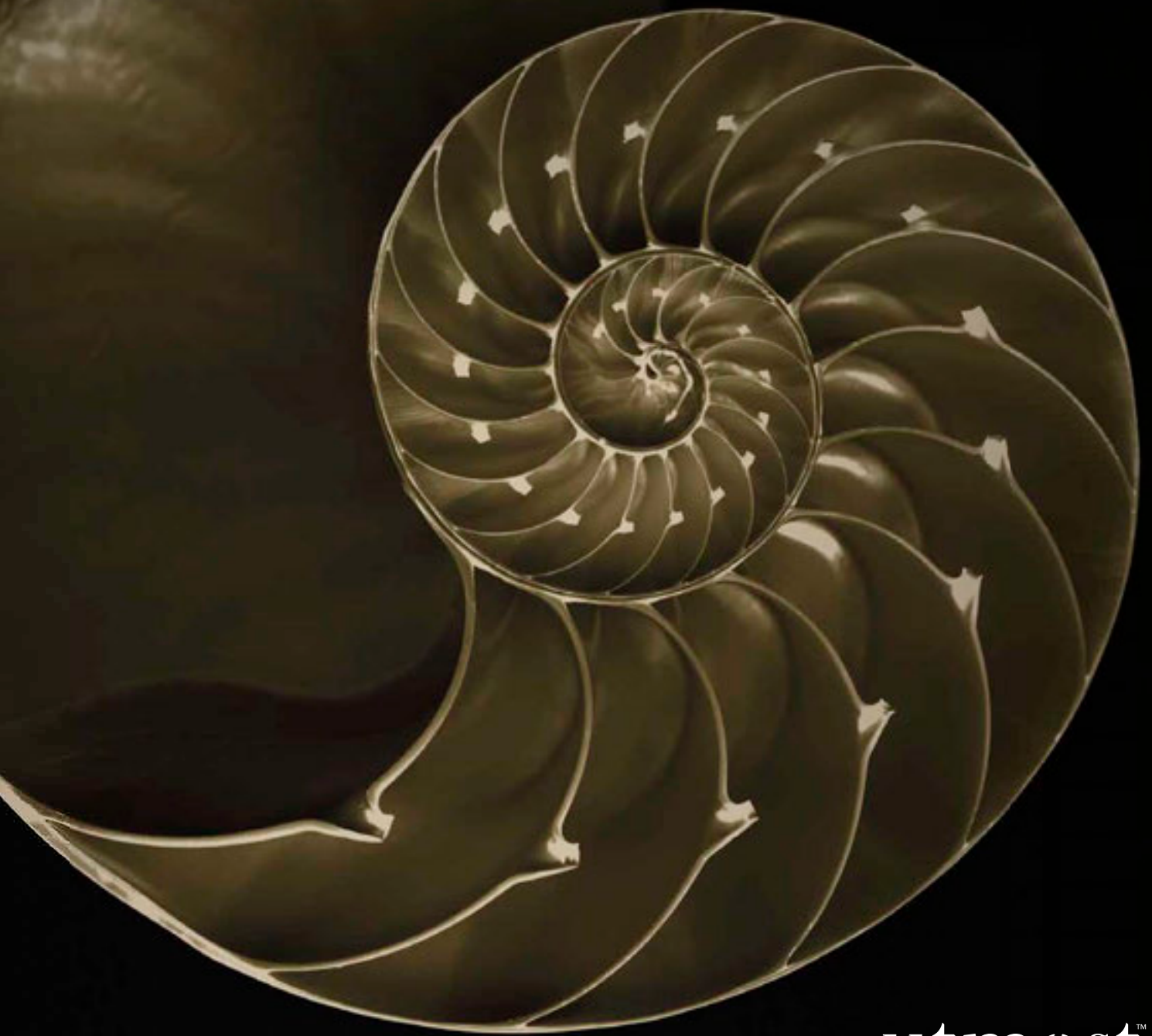


EVOLUTION TION

PRODUCT
GUIDE



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 Limited.

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BEFORE YOU BEGIN

TO HELP YOUR UNDERSTANDING

Throughout this guide we refer to 'you', 'we' and 'us'.
'You' refers to you personally as the applicant of the bond.

'We' and 'us' refers to Utmost Limited.

Evolution is referred to as the 'bond' throughout this guide.
The bond means the product that is issued to you and the series of identical policies (segments) it contains.

Throughout this guide words in the singular shall include the plural and vice versa.

It is important to read this guide together with our **Key Features Document**, ensuring that you take financial and tax advice from your authorised financial adviser.

There are several other documents referenced throughout this guide, all of these are available from our website www.utmostwealth.com or from your financial adviser on request.



This symbol highlights the important sections within this **Product Guide** which are mentioned in the **Key Features Document**.



You should pay particular attention to the sections marked with this icon.

HOW EVOLUTION COULD HELP YOU

As your needs and circumstances evolve over time, you may be looking for a flexible investment option that meets your changing financial goals. We understand that you may not want the extra responsibility of handling your own portfolio of assets.





Utmost Limited, through its experience and expertise, is able to provide you with a flexible investment designed for tax-efficiency, that can change and grow to suit your financial needs during your life. With Evolution you are able to spread your investments across a range of risk levels and respond rapidly to changing markets, all without the hassle of the day to day paperwork.

Evolution is all about choice and flexibility by managing your investments in one place, evolving and adapting to your timelines, lifestyle and aspirations.

Evolution can be used:

- › For those seeking potential growth realised at a time to suit your needs.
- › To combine both the need for a regular 'income' and to accumulate a capital sum.
- › To provide an 'income' through regular withdrawals of capital which may be useful for a range of needs, such as school fees planning or supplementing your pension.
- › To meet your financial goals as your needs change.



The information in this guide is based on our understanding of current law and taxation practice in the Isle of Man and the UK as at 1 September 2015. This could change in the future, and therefore there is a risk that the tax treatment of this bond may change. Tax treatment is subject to individual circumstances and you should always seek independent and individual tax advice.

The value of the bond can fall as well as rise. Taking into account market fluctuations and charges, you could get back less than you invest, especially in the early years.

Inflation will reduce the value of what can be bought in the future with the proceeds of the bond.

The term 'income' refers to regular withdrawals of capital. If the level of 'income' taken is higher than the investment returns achieved then the value of the bond will reduce. In addition, the potential for growth will be reduced.

WHAT IS EVOLUTION?

Evolution is an international, single premium investment bond designed for medium to long term investment (meaning five to ten years or longer).

To increase flexibility, your bond will be made up of a series of identical policies called segments. If your premium is over £30,000 then the bond will normally be made up of 60 segments. When the premium is under £30,000 the policy will be made up of 12 segments. Each segment is a specific legal contract having its own applicable charges and right to full surrender.

Your investment is used to purchase units in your chosen funds, thereby pooling your investment with those of investors with similar objectives. This has the benefit of spreading the investment and administration costs. Funds are available with a variety of risk profiles.

WHAT DO WE MEAN BY INTERNATIONAL SINGLE PREMIUM?

Evolution is issued by Utmost Limited, a company resident outside of the United Kingdom.

It is a single premium product because you invest a lump sum of money at the start, with the potential to add additional lump sums during the life of the bond. Evolution provides you with a convenient single product structure, through which you can make investments into a range of collective investment schemes, funds and cash deposits. Evolution gives you access to certain funds only offered by us. It wraps all these investments into one product for ease of dealing and tax efficiency.



This section is mentioned in your **Key Features Document**.

LIFE ASSURANCE OR CAPITAL REDEMPTION?

Your bond can be set up as a life assurance bond that ends on the death of the last life assured, with allowance for up to six lives assured.

Alternatively, a capital redemption bond can be chosen. This is not based on anyone's life as it only requires a policyholder, or multiple policyholders, and has a term of 99 years.

The type of bond must be selected at the start and cannot be changed. Therefore, it is important to discuss these options with your financial adviser before investing to ensure the appropriate bond type is chosen for your financial needs and circumstances.

WHAT IS A LIFE ASSURANCE BOND?

A life assurance bond is a contract of insurance, based on a single or multiple lives (up to a maximum of six on Evolution) and in the case of this bond, ends on the death of the last or sole life assured. When the sole or last life assured dies, the proceeds are paid out to the surviving policyholders or, if there are none, to their personal representatives. On the death of the sole or last life assured, the amount payable under each segment still in force, is the surrender value plus £1. This is calculated on the next appropriate dealing day following receipt of written notification of death.

Payment of any proceeds will be made on receipt of all necessary documentation and verification of identification; including proof of who has the right to receive the proceeds.

WHAT IS A CAPITAL REDEMPTION BOND?

It is a contract of insurance with a similar tax treatment in the UK to life assurance policies. The advantage of a capital redemption bond is that you do not need to select people to be the 'lives assured' but it has a policyholder or multiple policyholders. As the bond does not have to end on anyone's death, it will continue for 99 years, unless it is totally surrendered. This can offer your executors and heirs more investment and tax planning flexibility.

For each individual policy segment still in force after 99 years, we will pay the higher of a Guaranteed Maturity Value or the unit value due under the segment.

The Guaranteed Maturity Value can be summarised as:

- (a) Twice the initial investment into the segment, plus
- (b) Up to twice any additional investments into the segment (subject to a sliding scale over time), with
- (c) The total of (a) and (b) being reduced by any withdrawals made against that segment, the reduction being the percentage of the overall fund represented by the withdrawal.



The calculation can be complex. Further details can be found in the Policy Conditions and additional clarification can be obtained from us on request.

Any adviser charges agreed to be paid to your financial adviser, to be taken from the bond, will be treated as a withdrawal and will be deducted when calculating the Guaranteed Maturity Value.

DO ANY ADDITIONAL INVESTMENT CONDITIONS APPLY TO CAPITAL REDEMPTION BONDS?

If you have selected the capital redemption version of the bond and if the bond is still active 50 years from the start date, our Actuary may review the market and decide to move the funds to our Utmost Deferred Distribution Fund or the closest available fund at the time.

We reserve the right to make this fund switch to ensure that there is likely to be sufficient value in the bond to meet the Guaranteed Maturity Value explained above.



There is no guarantee of the value of your investment (other than the maturity value of a capital redemption bond after 99 years) or how much 'income' it can provide, in the form of withdrawals of capital.

If the bond is brought to an end following your death, payment of charges for advice from your bond will be stopped. This means any outstanding payments that are due to the relevant party may still need to be settled by your estate. Please see page 9 for more information about charges for advice.

EVOLUTION ESSENTIALS

YOU	
TYPE OF INVESTOR	<p>Investment in the bond is available to individuals, including those applying on a joint basis. Trustee and corporate investors can also invest.</p> <p> The taxation of companies holding an Evolution bond is different to that described in this Product Guide. Please speak to your financial adviser for more information.</p>
AGE LIMIT	<p>You must be aged 18 or over to take out this bond.</p> <p>There is no upper age limit.</p> <p>There is no minimum or maximum age limit for lives assured.</p>
COUNTRY OF RESIDENCE	<p>If you reside in or move to a jurisdiction outside of the UK, Isle of Man or the Channel Islands, you and your financial adviser will need to ensure that there are no regulatory or legal restrictions that prevent you from investing in Evolution. This may affect your ability to make an initial investment and additional investments. Residents of certain countries and territories cannot invest in Evolution. Further details are available from your financial adviser, or alternatively you can contact our Customer Support team on +44 (0)1624 643345.</p>
THE BOND	
CHOICE OF BOND TYPE	<p>A single premium life assurance or capital redemption bond.</p>
CHOICE OF BOND CURRENCY	<p>Sterling, US Dollar or Euro.</p> <p> Once the currency of the bond has been selected, it cannot be changed. Any payments out can only be made in the currency of the bond.</p>
CHOICE OF PREMIUM CURRENCY	<p>Premiums can be paid in any freely tradeable currency which will then be converted to the bond currency at the rate applicable on the day the monies are received.</p> <p>Currency fluctuations may affect the value of the investment.</p>
PREMIUM PAYMENT METHODS	<p>We will accept payments of your premium by BACS, CHAPS, telegraphic transfer, banker's draft or a cheque. If you pay your premium by CHAPS, telegraphic transfer or banker's draft, your bank may charge you for these services.</p>
FLEXIBLE CHARGING STRUCTURE	<p>Evolution offers our flexible charging structure Flex-Charge which enables you to select the preferred balance of initial and/or ongoing Product Management Charge. These charges cover the establishment and ongoing management of your bond.</p> <p>Flex-Charge provides you with the freedom to choose the right Product Management Charge to suit your needs, whether its a full initial or a full ongoing Product Management Charge or a combination of both. Your financial adviser will be able to help you select the option that is best for you.</p> <p>For detailed information about our Flex-Charge structure please see our Charges Guide.</p>

THE BOND

ADVISER CHARGING

Charges for advice provided by your adviser, along with the payment method, should be agreed between you and your adviser, to ensure they meet your individual needs. If you place your bond in trust, your trustees will need to agree charges for advice provided to them.

There will be adviser charges for the advice you receive from your financial adviser in relation to this bond. Other adviser charges could also be applicable depending on the investment options you choose.

All charges for advice in relation to this bond can normally be paid in any of the following ways:

› **Direct** - The charges for advice are paid by you directly to your adviser outside of the bond. You do not need to inform us of these payments.

Or facilitated by us:


› **Outside of the bond** - The initial adviser charge is deducted from the payment you send to us and paid to your financial adviser, with the remaining balance being invested as the premium into the bond. The premium must meet the minimum investment requirements as stated on page 11.

› **Inside the bond** - The charges for advice are paid to your financial adviser, investment adviser or External Manager and/or Custodian (EMC) on an initial*, ad hoc or ongoing basis from the value of the bond, after your premium has been invested.

You can request that we facilitate charges for advice provided by your financial adviser by completing the relevant section of the application form.

To request that we facilitate the payment of charges for investment advice to a suitably nominated investment adviser or EMC, or set up a new agreement with your financial adviser once the bond is established, please complete the **Adviser Charges Pack**.

For further information on charges for advice and product charges, including our Flex-Charge, please see page 23. Alternatively, for detailed information please see our **Charges Guide**.

 Charges for advice which you have agreed to pay from your bond can only be made through a partial surrender (withdrawal across all segments).

Any adviser charges paid to your financial adviser from inside the bond, will be treated as a withdrawal and will form part of your 5% annual tax deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond. If you nominate an investment adviser using the appropriate pack then the investment adviser charge will not count towards your 5% annual tax-deferred entitlement.

If you are a corporate applicant or are considering using a trust or investing as a trustee, including investing the assets of a registered UK Pension Scheme, please refer to our **Charges Guide** for more information about charges for advice.

If a chargeable event occurs due to the bond being brought to an end following your death, payment of any charges for advice from your bond will be stopped. This means any outstanding payments that are due to the adviser may still need to be settled by your estate directly with the adviser.

INVESTMENT ADVISER

You may request the appointment of an investment adviser to give us instructions regarding fund selection. The nominated investment adviser, when successfully appointed, has the authority to give us investment instructions on your behalf.

If you wish that an investment adviser be appointed, please be aware that the charge they apply will be treated as an Investment Adviser Charge (IAC). Please see the 'charges for advice' section in our separate **Charges Guide** for more information.

*Only one initial charge per premium can be paid from inside the bond and is not available to pay for advice provided by an EMC.

EVOLUTION ESSENTIALS CONTINUED

THE BOND	
POLICY SEGMENTATION	To increase flexibility and future tax planning, your bond is normally made up of a series of 60 identical segments with a premium of £30,000 or over. The bond will be made up of 12 identical segments when the premium is below £30,000. However, you can request that your bond is set up with more segments (up to 5,000) subject to a minimum investment of £500 per segment. Each segment is a specific legal contract having its own applicable charges and right to full surrender.
ADDITIONAL INVESTMENTS	You can make additional investments at any time. This is currently subject to a minimum of £5,000, US \$10,000 or €7,500, and we reserve the right to change these minimum amounts in the future. Each additional investment is subject to its own series of charges, for more information please see the 'Conditional bond charges' table in the Charges Guide .
ACCESS TO CAPITAL	If you require access to some or all of your capital, you can surrender individual segments or take a single withdrawal from your bond at any time. Please see the 'Minimum amounts for Evolution' table on the next page for the minimum withdrawal amounts.
REGULAR 'INCOME'	You are able to take an 'income' from your investment through the regular withdrawal of capital. Regular withdrawals can be made monthly, quarterly, half-yearly or annually. Please see the 'Minimum amounts for Evolution' table on the next page for details of the minimum regular withdrawal amounts.  There are certain circumstances where regular 'income' may not continue. Please see page 18 for more information. The term 'income' refers to withdrawals of capital. If the level of 'income' taken is higher than the investment returns achieved then the value of the bond will reduce. In addition, potential for growth will be reduced. The tax implications of taking a regular 'income' can be found in our separate Tax information for customers brochure.
INVESTMENT CHOICE	You can choose to set up the bond using either Guided Architecture (Tailored Selection and Utmost Fund Collection ranges) or Open Architecture (Utmost Fund Collection funds, external funds and cash deposits). The investment option you choose will determine the range of funds available to you and the charges you will pay. Please read more about these options on pages 14-17.
EXTERNAL MANAGER AND/OR CUSTODIAN (EMC)	You can request that an External Manager and/or Custodian (EMC) be appointed to manage the investments within the bond. Using an EMC who has a detailed understanding of your attitude to investment risk, can also provide you with the reassurance that the investments are being selected and managed by experts dedicated to the business of investment management. If an EMC is appointed, then, in addition to our standard bond charges, the EMC may also make a charge for any investment advice they provide. These charges will be treated as an EMC Investment Adviser Charge (EMC IAC). If the bond is managed on a Discretionary basis EMC IAC does not apply. Please see the External Manager and/or Custodian (EMC) and Charges for advice sections of the Charges Guide for full details. The appointment of any EMC is subject to our agreement. You can request to replace or appoint a new EMC at any time by completing a new Nomination of External Manager and/or Custodian form, or for switching out of the External Managed investment options using our Open Architecture Dealing Instruction form.

MINIMUM AMOUNTS FOR EVOLUTION

The table below shows the current minimums for Sterling, US Dollar and Euro. Please note that these minimum amounts may be subject to change in the future.

	£ STERLING	\$ DOLLAR	€ EURO
MINIMUM INVESTMENT – GUIDED ARCHITECTURE	15,000	30,000	22,500
MINIMUM INVESTMENT – OPEN ARCHITECTURE	50,000	100,000	75,000
MINIMUM ADDITIONAL INVESTMENT*	5,000	10,000	7,500
MINIMUM REGULAR WITHDRAWAL	200	400	300
MINIMUM SINGLE WITHDRAWAL	500	1,000	750
MINIMUM AMOUNT THAT MUST BE KEPT IN YOUR BOND AFTER CHARGES**	10,000	20,000	15,000

*Each additional investment attracts its own set of charges. Please speak to your financial adviser or see our **Charges Guide** for more information.

** If the bond falls below the minimum amount required to keep the bond in force, any charges for advice already agreed to be paid from the bond will be stopped. If any new requests to pay charges for advice would take the bond below this minimum, then the request will not be processed and we will write to tell you. In both these instances, you will need to pay any outstanding charges for advice directly to your adviser.



If you ask us to pay the initial adviser charge to your financial adviser, from your payment to us before the premium is invested, the amount you send to us must total at least the minimum investment amount as stated above, plus the agreed initial adviser charge.

EVOLUTION AND TRUST ARRANGEMENTS

EVOLUTION AND UK INHERITANCE TAX PLANNING

Investment bonds such as Evolution can play an important part in your UK Inheritance Tax (IHT) planning. Using a trust alongside Evolution allows your appointed trustees to manage the trust assets, perhaps for the benefit of your heirs. Providing you are not included as a beneficiary of the trust, the bond will be removed from your estate potentially reducing any liability to UK IHT you may have. To achieve your objectives, you may wish to set up the bond and a trust at the same time. Alternatively, if you wish to delay IHT planning until a later date, you can establish the bond first and then assign it into trust at some point in the future.

DISCOUNTED GIFT TRUST

The Discounted Gift Trust, offered by Utmost, can be used with an Evolution capital redemption bond that has been in existence for at least 12 months. You are not able to convert to a Discounted Gift Trust before this initial 12 months has ended.

EVOLUTION AS A TRUSTEE INVESTMENT

Trustees of existing trusts can also consider investing in Evolution to achieve their investment objectives, providing the terms of the trust permit it.

- › An international portfolio bond can offer administrative benefits for UK trustees as the bond is a non-income producing asset and any tax liability will only need to be declared after a chargeable event is triggered.
- › In addition to this, Evolution offers a wide choice of linked investments which may assist in meeting a trust's investment strategy.
- › A trust arrangement will normally remove the need for UK or Manx probate so that on your death the people that you wish to benefit from the trust can do so without any unnecessary delay. Please contact our Customer Support Team on +44 (0)1624 643 345 for more information.



Trusts can be complex and the type of trust you choose will affect how any potential benefits are distributed and how the trust is taxed. Tax treatment of the bond may change in the future and is subject to individual circumstances. You should always consult with your financial adviser who will be able to help you decide which trust is most suitable for your needs.

Please remember that the value of the bond can fall as well as rise and the trustees or your beneficiaries may get back less than invested.

WHICH TRUST?

The types of trusts available to you may be different depending on whether you choose the life assurance or capital redemption option of Evolution. To help with UK IHT planning, we offer an extensive range of trusts designed to provide a balance of tax efficiency and flexibility, and to cater for differing family arrangements and financial goals.

For more information about our trusts, and to discuss which trust could be suitable for your investment needs and personal circumstances, please speak to your financial adviser.

CHOOSING YOUR TRUSTEES

Choosing a trustee is a very important decision because the trustees you appoint will legally own and manage the bond for the benefit of the beneficiaries. If using a Discretionary Trust, the trustees will also have the power to choose who will benefit after your death.

A trustee is required to comply with the terms of the trust and to make any decisions affecting the trust in the interests of the beneficiaries.

Where individuals are acting as the trustees there should be at least two appointed. You can choose to be a trustee yourself and/or appoint family members or other individuals to act with you. Your appointed trustees must be over 18 years old and mentally capable.

However, if you choose not to appoint additional or independent trustees, it is important to consider what will happen when you die or if you lose capacity.

Alternatively, you could appoint a professional trustee or trust company such as Utmost Trustee Solutions*, which offers trust administration services to clients of Utmost Limited depending on the product and trust selected. Your financial adviser will be able to provide you with more details.



There may be charges for professional trustee services. If you wish to appoint a trustee who is resident outside of the UK, there may be regulatory or tax implications. For more information regarding these implications please speak to your financial adviser.

TRUSTS AND ADVISER CHARGING

There may be additional UK Income and Inheritance Tax implications for you and your trustees to consider in relation to any adviser charging payments. In addition, if you are a Settlor of an existing trust and your trustees are applying for Evolution, care will need to be taken over the payment of any initial adviser charge to your financial adviser. If the trust does not allow you to benefit, then any adviser charge agreed by you and paid by the trustees could be considered a Gift With Reservation of Benefit. Please read our **A guide to trusts** brochure or speak to your financial adviser for more information.

For details of the adviser charging options available with our trusts, please see our current **Charges Guide**. Alternatively, for more information about trusts please see our **A guide to trusts** brochure. All of our supporting guides are available on our website www.utmostwealth.com or from your financial adviser on request.

*The company details for Utmost Trustee Solutions Limited can be found in the footer at the end of this document.

WHAT ARE MY INVESTMENT OPTIONS?

EVOLUTION OFFERS TWO INVESTMENT OPTIONS AND BOTH PROVIDE ACCESS TO A WIDE RANGE OF INVESTMENT CHOICES. WE CALL THESE OPTIONS GUIDED ARCHITECTURE AND OPEN ARCHITECTURE



This section is mentioned in your **Key Features Document**.

When you set up your bond you are able to make various choices which include:

- › The currency that the bond is held in
- › A flexible charging structure (see Flex-Charge on page 23 for further details)
- › A choice of funds and cash deposits
- › How you can manage your bond through the various services and options available to you with Evolution
- › How you pay the charges for advice

Depending on your investment objectives and choice of Guided Architecture or Open Architecture, you can choose from:

- › Tailored Selection funds
- › Utmost Fund Collection funds
- › External funds
- › Cash deposits

You can also choose to nominate an investment adviser or an External Manager and/or Custodian to manage your investments.

You can obtain from your financial adviser, or the underlying fund manager, the Key Investor Information Document for the underlying fund for any funds within the Tailored Selection or Utmost Fund collection ranges, you intend to select. The Key Investor Information Document contains further information on the underlying fund, including its objectives and associated risk factors.



If you choose to invest in a fund denominated in a different currency from the bond, a currency conversion will apply. All costs and exchange risks associated with the currency conversion will be charged to the bond.

The funds available to you may change at our discretion. If we, or a fund manager, are to close a fund available to you when you invest in the bond on a Guided or an Open Architecture basis, we will advise you in writing. However, you will need to speak to your financial adviser for details of alternative investments

The value of funds can fall as well as rise. Taking into account market fluctuations and charges, you may get back less than invested.

GUIDED ARCHITECTURE

Guided Architecture gives you choice and control, by allowing you to link your bond to a comprehensive range of funds within the Tailored Selection and Utmost Fund Collection ranges. The fund ranges available to you within Guided Architecture have been carefully chosen by the investment experts Architas. To find out more information about Architas, visit their website www.architas-mm.com.

So, if you are looking to invest in a range of industry sectors, international or specialist funds with a wide choice of investment objectives and exposure to a variety of fund managers, markets and asset types, Guided Architecture may be suitable for you.

DRIP-FEEDING OR PORTFOLIO REBALANCING

If you choose our Guided Architecture option, you can apply either Drip-feeding or Portfolio Rebalancing to help manage your investment and control the preferred risk level. Please note you will need to complete a separate form to use these options. If you have chosen Open Architecture they are not available to you.

- › **Drip-feeding** - The money invested into your chosen fund is slowly transferred to another selected fund. This aims to reduce the effect of potential market fluctuations when switching funds.
- › **Portfolio Rebalancing** - You will give each fund a target percentage amount of your investment. The funds are then maintained at this level through either monthly, quarterly, half-yearly, or annual adjustments to maintain your preferred level of risk.

These automated options cannot be used together although both can be stopped or started at any time.



There are no guarantees that the use of Drip-feeding or Portfolio Rebalancing will result in improved investment growth compared to alternative investment decisions.

OPEN ARCHITECTURE

Open Architecture is all about wider investment opportunities. So, if you are looking for access to a much wider range of funds, including external funds and cash deposits, or perhaps you wish to appoint an External Manager and/or Custodian to select and manage the linked investments, Open Architecture is the investment option for you.

Open Architecture allows you to link Evolution to a variety of external funds and cash deposits from some of the world's leading investment management groups and banking institutions. Our buying power makes it possible for us to negotiate preferential terms with fund managers. As a result, the terms available to you through Evolution may be more competitive than you would obtain through investing directly.

DEALING ACCOUNT

If you choose our Open Architecture option a dealing account will be required. The main purpose of the dealing account is to enable the purchase and sale of investments linked to the bond. Once a dealing account has been set up, it will remain in force and, thereafter, a higher quarterly administration charge will apply. Where a dealing account exists, Tailored Selection funds are not available.



Once the bond is held on an Open Architecture basis, it cannot be moved to the Guided Architecture option.

There are higher administration charges and other expenses associated with Open Architecture when compared to the Guided Architecture option. Please see page 23 and our separate **Charges Guide** for more information.

CAN I CHANGE THE INVESTMENTS LINKED TO MY BOND?

Yes, you or your appointed investment adviser can provide us with investment instructions either by fax, post or through our Online Trading facility to change investments linked to your bond.

For more information about our range of investment options and dealing accounts, please read this section together with **A guide to your investment options with Utmost**.

CAN I CHANGE THE INVESTMENT BASIS FROM GUIDED ARCHITECTURE TO OPEN ARCHITECTURE?

If the bond is held on a Guided Architecture basis at outset, you cannot switch to an Open Architecture basis within three months of the bond being set up. After this three month period, if you wish to switch to an Open Architecture basis, you will need to be aware of the following:

- › The minimum investment amount for Open Architecture will need to be met.
- › A dealing account will be required.
- › A higher quarterly administration charge will be applicable.
- › Dealing charges will be applicable for all sales or purchases of external funds and cash deposits.
- › All current holdings within the Guided Architecture range will be sold and every new external fund or cash deposit purchase will incur a dealing charge.
- › Once the bond has been set up on an Open Architecture basis, you cannot revert to Guided Architecture.

GETTING MONEY FROM THE BOND

CAN I TAKE AN 'INCOME'?

Yes, you can take an 'income' as regular withdrawals of capital, provided the balance of your bond does not fall below a surrender value equivalent to £10,000, US \$20,000 or €15,000. If it falls below this level, 'income' cannot be taken and your 'income' will cease. The surrender value is the amount that would be left in your bond once all outstanding charges have been taken into account. There may be tax consequences depending on the level of 'income' you take from your bond. Please see page 21 for more information or speak to your financial adviser.

Regular withdrawals are taken equally across all individual segments and can only be made in the bond currency either monthly, quarterly, half-yearly or annually. If there is no dealing account, the amount of the withdrawal is met by a surrender of units from your chosen funds or by a proportionate sale across all funds if none have been chosen. If a dealing account does exist, the amount of the withdrawal is charged to the dealing account.

To set up regular withdrawals from the start of your bond, please complete the appropriate section in the application form. If, at any time in the future, you wish to set up regular withdrawals, please speak to your financial adviser or complete our **Withdrawal or surrender form**.

The earliest the first withdrawal can be taken is 30 days after the bond has been issued. The minimum payment is currently £200, US \$400 or €300.



Any adviser charges, to be paid to your financial adviser from the bond, will be treated as a withdrawal and will form part of your 5% annual tax deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

Where there is no dealing account any charges for advice agreed to be taken from the bond and paid to your financial adviser, will be taken proportionally across all funds. Therefore you will not be able to choose specific funds to cover the cost of any charges for advice.

Taking an 'income' will reduce the value of the bond. Maintaining the initial value of the bond will depend upon investment performance, the level of 'income' taken and the effect of charges. This could mean that the value of your bond falls below your initial investment.



This section is mentioned in your **Key Features Document**.

HOW WILL MY 'INCOME' BE PAID TO ME?

Payments will normally be made by BACS transfer to your bank account in the UK, Isle of Man or Channel Islands. BACS payments are currently free of charge, however payments can take 3 to 5 working days to reach your account. On request, a CHAPS transfer can be requested to ensure payment is made quickly, but a charge will be made on every payment for this service. All payments in foreign currencies or payments to foreign banks will be by Telegraphic Transfer, for which a charge is also made.

HOW CAN I GET MONEY FROM MY BOND?

Evolution is designed to be held for at least five to ten years. However, you can take a single withdrawal of at least £500 per payment from your bond. To raise money for the withdrawal, units are sold across all funds or you can choose which funds you want to sell. Alternatively, you can surrender one or more individual segments as each segment is a policy in its own right.



You must leave a minimum value of £10,000, US \$20,000 or €15,000 in the bond.

Charges for advice which you have agreed to pay from your bond can only be made through a partial surrender (withdrawal across all segments). We will not be able to fully surrender individual segments to cover these charges.

WHAT HAPPENS IF I WANT TO SURRENDER MY BOND OR ANY POLICY SEGMENT WITHIN THE BOND?

If you surrender your bond, or any individual segment you will receive the value of units, less any outstanding charges and debit interest, if applicable. Payment will be made in the currency of your bond.

If funds are not easily sold, we reserve the right to delay payment, for example to enable property to be sold if required, or where dealings on a Stock Exchange have been suspended.

To surrender part or all of your bond, or any individual segment, you need to complete our **Withdrawal or surrender form** and send it to us, together with the original policy documents and any other necessary documents that prove your ownership.

Where you have surrendered your bond and we subsequently receive a dividend or rebate for a fund you had previously linked your bond or individual segment to, we will only pass this on to you where the amount we receive is more than a minimum value of £100. For the current minimum value please contact us or speak to your financial adviser.



If you fully surrender your bond and are paying for 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 charges for advice directly to your adviser.



For information about tax on withdrawals and the taxation of proceeds please see page 21.

HOW IS MY BOND TAXED?

The following information is based on our interpretation of current law and taxation practice in the Isle of Man and the UK as at 1 September 2015, which could change in the future and depends on individual circumstances. There is therefore a risk that the tax treatment provided by this bond may change. Please note that the responsibility for any personal tax liability on the proceeds of your investment is yours and depends, normally, on your country of residence.



This section is mentioned in your **Key Features Document**.

The following information is aimed at individual UK investors. For corporate investors, trustees or investors in other jurisdictions you should ask your financial adviser to explain the tax implications to you.

TAXATION OF THE UNDERLYING INVESTMENT FUNDS

One of the main differences between international portfolio bonds (also referred to as offshore bonds) and bonds issued in the UK (also referred to as onshore bonds) is the different taxation treatment of the underlying investment funds. With a UK investment bond, the underlying funds are subject to tax on income and capital gains realised within the funds.

This will depend on the effective tax rate a UK insurer suffers on its policyholders' funds and on the underlying asset mix because the UK insurer is taxed differently on different types of assets.

With an international portfolio bond, such as Evolution, income and gains on the underlying funds roll up free of taxes (gross). This is because taxation of the offshore bond is dependent on the tax regime of the territory where the insurer is established. The favourable tax environment on the Isle of Man means that income and capital gains on investments which Utmost holds on behalf of investors are not locally taxed. The only tax to which the funds may be liable is Withholding Tax. This is a non-reclaimable tax which is deducted at source, e.g. from dividend income and certain interest.

IS THERE A CAPITAL GAINS TAX (CGT) LIABILITY ON SWITCHING FUNDS WITHIN MY BOND?

Fund switches made within onshore or offshore bonds do not trigger a UK CGT liability. Whereas, for a UK resident investor, switches within a portfolio of directly owned equity or unit trust investments may incur a CGT charge in the tax year during which the switches were made.



Any adviser charges, to be paid to your financial adviser from inside the bond (which you have agreed with your adviser), will be treated as a withdrawal and will form part of your 5% annual tax deferred entitlement. If an adviser charge would take you over your 5% annual tax deferred entitlement, this would trigger a chargeable event and could have potential tax consequences. You should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

WILL I PAY TAX ON MY 'INCOME'?

For each investment made, UK tax residents are currently entitled to withdraw 5% of the initial investment each policy year for 20 years and defer any income tax payable. If the full 5% entitlement is not taken in any policy year, the unused amount is carried forward. For example, should you select an annual withdrawal of 4% of your original investment, you are entitled to take withdrawals free of income tax at the time of the withdrawal for 25 years. Withdrawals that exceed 5% of the investment each policy year will give rise to a chargeable gain for UK residents and you may be liable to income tax.

TAXATION OF PROCEEDS

Investment gains arising on an international portfolio bond are charged to income tax but only when proceeds are taken and a chargeable event occurs. So, tax on investment gains may be deferred until an investor chooses to take the proceeds from the bond and triggers a chargeable event. For example, this can give investors an opportunity to defer paying tax until they are in a lower tax bracket when proceeds are taken, which would then trigger a chargeable event. It is also important to remember that, should you select a life assurance bond, the death of the last life assured would also trigger a chargeable event and bring the bond to an end.

WHAT ARE MY TAX LIABILITIES?

When you surrender or take a withdrawal from your international portfolio bond, the proceeds are paid to you without deduction of tax at source. The responsibility for personal tax on the proceeds from the bond is yours and depends normally on your country of residence.



Please see our separate **Tax information for customers** brochure for detailed information regarding the taxation of gains including how 'income' is taxed on your bond.

WHAT ARE THE CHARGES FOR EVOLUTION?

EVOLUTION OFFERS
A FLEXIBLE CHARGING
STRUCTURE WITH VARIOUS
CHARGING OPTIONS THAT
MAY APPLY TO THE BOND



This section is mentioned in your **Key Features Document**.

Your financial adviser will be able to explain how the charging structure works and which combination would best suit your needs. The product charges, fund charges (where known) and any charges for advice agreed to be paid from the bond, will be shown in your Personal Illustration that your financial adviser gives you.

The information below is a summary of the charges applicable to your bond. You must read this section together with our **Charges Guide** which describes our Flex-Charge and other applicable charges in detail.

FLEX-CHARGE

Our Flex-Charge structure enables you to select your preferred balance between the level of the initial (one-off) Product Management Charge and the level of ongoing quarterly Product Management Charges. Please speak to your financial adviser who will be able to help you to select the option that is best for you.

STANDARD PRODUCT CHARGES

The amount you will pay depends on whether you choose to set up the bond on a Guided Architecture or Open Architecture basis, and the Product Management Charge option chosen. The Standard Product Charges are:

- › Flex-Charge – initial and/or ongoing Product Management Charge*
- › Administration charge

*An initial and/or ongoing Product Management Charge will be payable on the bond and will be based on the level of investment made. The charge that applies depends on your choice of either full initial or full ongoing Product Management Charge or a combination of the two. Please be aware that the product management charge is taken after investment and is based on the premium we receive. The premiums should not therefore be increased in order to account for any initial charge.

CONDITIONAL BOND CHARGES

Conditional charges are charges that depend on the investment choices you make and the way you choose to manage your investment. Conditional charges include:

- › Payment charges
- › Dealing Account Debit Interest
- › External Manager and/or Custodian charges
- › Additional Single Premium charges
- › Valuation charges
- › Charges for advice (if taken from the bond)

FUND CHARGES AND INVESTMENT COSTS

Charges for the underlying funds and investment costs, including dealing fees, will depend on the investments you choose. Your financial adviser can give you details of the charges applicable to the investments you have selected. Any initial and annual fund management charges and dealing charges will also be shown in your Personal Illustration.



For full details of our charges and adviser charges, please see our separate **Charges Guide**.



Administration, dealing, valuation and payment charges increase on 1 January each year in line with the UK Retail Prices Index (RPI) without notification to you. Any increases may be rounded to the higher pound. You will be given three months' written notice of any other variation in charges.

APPLYING FOR EVOLUTION

Before applying for Evolution please make sure you have spoken to your financial adviser and they have answered any questions you may have.

Please ensure that you have been provided with:
a **Key Features Document**, a **Personal Illustration** and our **Charges Guide**. To help your understanding we also suggest you read this guide alongside the brochures listed opposite.

- › Tax information for customers
- › A guide to your investment options with Utmost
- › A guide to trusts

1

CHOOSE

You should decide on your investment choice and also your charging level.

2

APPLY

Complete the application form.

3

START

The bond will start when all necessary documentation and information has been received and accepted by us and your premium has cleared in our account.

1. YOUR CHOICES

Before investing you must choose:

- › The type of bond i.e. life assurance or capital redemption
- › The currency the bond is to be held in i.e. Sterling, US Dollar or Euro
- › If the bond is to be held on a sole or joint applicant basis
- › Your investment amount
- › Which funds you wish to invest in
- › The amount and frequency of any regular withdrawals
- › The charging level you require from our Flex-Charge structure
- › How you pay charges for advice

2. COMPLETING THE APPLICATION FORM

Next you will need to complete, with the help of your financial adviser, the Evolution application form and ensuring you complete the **Adviser Charges** section if you would like us to facilitate any adviser charging payments.

Under Isle of Man Anti-Money Laundering regulations we are required to verify the identity and address of each investor and the source of funds being invested. Our application form has been designed to assist with the collection of this information.

Once complete your financial adviser will then post the form to us for processing.

3. STARTING THE BOND

The bond will start when all necessary documentation has been received and accepted by us and your premium has cleared in our account.



Due to current low interest rates Utmost does not pay credit interest on premiums received prior to bond issue.

YOUR EVOLUTION BOND

CANCELLATION

You currently have 30 days to cancel the bond. The 30 days begin on the day you receive the **Your Right to Change Your Mind** form.

If, for any reason, you decide that you do not want to take out this bond, just return the form with your original policy documents, within 30 days to the address on the form and the amount we will give you back is calculated as noted below.

The calculations will be based on the price on the next available dealing date from when the form is received. (Prices for funds in our Guided Architecture ranges can be found on our website www.utmostwealth.com).

If you exercise your right to cancel the bond during the 30 day cancellation period, we will not return any amount relating to charges for advice already paid to your adviser. If necessary, you will need to reclaim any refundable payments relating to charges for advice directly from your adviser.

Any repayment due to you on cancellation will be paid as soon as possible after the assets linked to your bond have been cashed in.

If you choose to link your policy to assets which cannot easily be cashed in, such as fixed-term deposits or funds with infrequent dealing days, then whilst you may exercise your right to cancel, it may be some considerable time before the asset can be sold or redeemed and your money returned to you.



The amount you will get back may be less than the initial investment. If the value of the investment falls before we receive your cancellation form, an amount equal to the fall in value will be deducted from any refund you receive. This deduction will be in addition to any charges for advice we have paid on your behalf. In calculating the fall in value we will include any third party costs we have incurred, such as any penalties applied by a deposit taker for breaking a cash deposit early.

If the value of the investment has increased you will only get back the amount of your initial investment, minus any charges for advice paid.

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

MANX PROBATE

As your bond is issued by Utmost Limited, it is considered to be a Manx asset. Therefore, we reserve the right to ask for Manx Probate on the death of the sole/last policyholder, or to ask for indemnity from your personal representatives. Each case will be reviewed on its own merits and in cases where an authenticated copy of UK Probate can be provided, we may consider requests to waive the requirement for sight of Manx Probate.

COMPLAINTS

If, for any reason, you are not satisfied with our service then please address your complaint to our Head of Customer Experience.

Post: Head of Customer Experience
Utmost Limited
Royalty House
Walpole Avenue
Douglas
Isle of Man
IM1 2SL
British Isles

OMBUDSMAN

We will do everything in our power to resolve a complaint and in many cases can rectify the issue direct with you. However, on occasion, you may wish to deal with an outside mediator to obtain a resolution. The Isle of Man has a free Financial Services Ombudsman Scheme for customers with a complaint against an Isle of Man financial services firm that the firm has not been able to resolve.

The Ombudsman Scheme is specifically aimed at individuals so complaints from companies (including Corporate trustees) are excluded. For further information on the Ombudsman Scheme please visit www.gov.im/oft/ombudsman

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



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

If you appoint Utmost Trustee Solutions as your trustee, there will be no right to referral to the Scheme.

ADVICE

Utmost Limited does not give investment, legal or tax advice and investors are strongly recommended to get their own professional advice.



ABOUT US AND HOW WE WORK



This section is mentioned in your **Key Features Document**.

ABOUT UTMOST

We believe our success is built on a commitment to providing outstanding customer service and exceptional financial products.

The Isle of Man is an international financial centre with legislation to protect policyholders. Authorised companies must demonstrate the soundness and expertise of their management; as such we are:

- › Authorised under the Insurance Act 2008 of the Isle of Man.
- › Authorised by the Isle of Man Financial Services Authority.
- › A member of the Association of International Life Offices.
- › A member of the Manx Insurance Association.

The island's favourable tax environment means we are able to provide tax-efficient products. We do not pay capital gains tax or income tax in the Isle of Man on investments held on behalf of investors, so any investment gains are allowed to roll-up free of these taxes. The only tax to which funds may be liable is that which is deducted at source and which cannot be reclaimed. This is known as Withholding Tax.

COMPENSATION

We are covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 (The Isle of Man Scheme). If we cannot meet our obligations, you will be entitled to claim up to 90% of our liabilities to you at that time 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, 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.

If you are a UK investor and we cannot meet our obligations, then in addition to protection under the Isle of Man Scheme, you may in some cases be able to make a further claim to the UK Financial Services Compensation Scheme. The additional claim would allow you to recover 90% of the value of the bond, but would take into account any payment under the Isle of Man Scheme in determining any sum payable. Your right to be able to claim from the UK Scheme may change in the future.

Please note that the underlying assets are held in our name. You will not be eligible to take advantage of any investor compensation scheme arrangements that cover the underlying fund manager or deposit taker. Therefore, if the underlying fund manager or deposit taker is unable to meet its obligations to us, you may lose some or all of the investment.



The information contained in this guide is based on our interpretation of current law and taxation practice in the Isle of Man and the UK, as at 1 September 2015. This may be liable to change in the future so there is a risk that the value of the tax treatment provided by this bond could change and is subject to individual circumstances.

Businesses and the corporate status of companies can change in the future.

FINDING OUT MORE

Your financial adviser will be able to help you with any questions you may have about Evolution that are not answered in this Product Guide or the Key Features Document. It is important that you discuss your financial needs and circumstances with a financial adviser so that you can find out what's right for you, before deciding to invest in this bond or making any financial decisions.

KEY POINTS SUMMARY

To help you with your decision, we have provided a brief key points summary of Evolution, as shown below.

MEDIUM TO LONG TERM INVESTMENT	Evolution is designed to be a medium to long term investment (meaning five to ten years or longer).
TAX-EFFICIENT	The island's favourable tax environment means we are able to provide flexible products designed for tax-efficiency. We do not pay Capital Gains Tax or Income Tax in the Isle of Man on investments held on behalf of investors, so any investment gains are allowed to roll-up free of these taxes. The only tax to which funds may be liable is that which is deducted at source and which cannot be reclaimed. This is known as Withholding Tax.
CHOICE OF BOND TYPE	You are able to select the bond type most appropriate for your financial planning needs.
FLEXIBLE CHARGING STRUCTURE	Our Flex-Charge gives you the freedom to choose the right Product Management Charge to suit your needs, whether its a full initial or a full ongoing Product Management Charge or a combination of both.
TAX-DEFERRED 'INCOME'	You can take an 'income' in the form of withdrawals of capital of up to 5% of your original investment each year with no immediate charge to Income Tax, until all your original investment has been withdrawn. Taking an 'income' may reduce the value of the capital invested, depending on fund performance.
WIDE RANGE OF INVESTMENTS	Access to an extensive range of external funds, funds within our Tailored Selection and Utmost Fund Collection ranges and cash deposits.
SIMPLER TAX RETURNS	You don't have to declare gains on an international portfolio bond until a chargeable event occurs. Chargeable events include surrender of segments, withdrawals or adviser charges over and above the 5% annual tax-deferred entitlement and assignments for consideration (value).



- › The value of the bond can fall as well as rise. Taking into account market fluctuations and charges, you could get back less than you invest, especially in the early years.
- › The tax treatment of the bond could change in the future and depends on your individual circumstances.
- › Any adviser charges, to be paid to your financial adviser from the bond (which you have agreed with your adviser), will be treated as a withdrawal and will form part of your 5% annual tax-deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

NEXT STEPS

A financial adviser will be able to tell you more about:

- › The tax implications specific to your circumstances
- › Utmost Limited
- › Charges

Please contact your financial adviser:

- › If you have a question
- › If you would like more information
- › If you would like a revised Personal Illustration

If you do not have a financial adviser you can find one in your area by contacting the Institute of Financial Planning by telephone on +(0) 1179 452 470 or at www.financialplanning.org.uk

POLICY SCHEDULE

The Policy Schedule sets out details specific to your investment and is proof of ownership of the bond. It will be included in the documents pack sent out to you after you invest.

VISUAL IMPAIRMENT

Large text, Braille and audio version of the guide are available on request.

If you would like more information about our range of products and services, please call our Utmost Customer Support team on **+44 (0)1624 643 345** or visit our website **www.utmostwealth.com**
Your call may be recorded to improve our service.

CONTACT US

To find out more about the Evolution
please contact us.

☎ +44 (0)1624 643 345

✉ customersupport@utmostwealth.com

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WEALTH SOLUTIONS

A WEALTH *of* DIFFERENCE

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