

ADVISER CHARGES SUMMARY

Giving you options is important to us, which is why we cater for many different preferences when it comes to adviser remuneration.

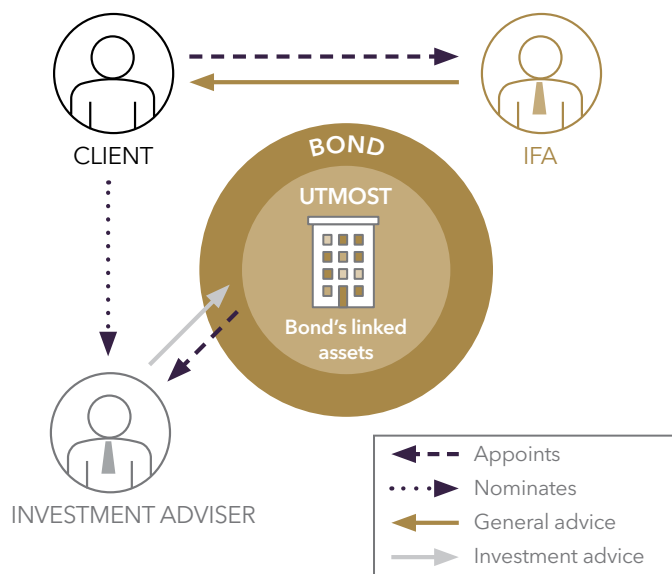
WHAT KINDS OF ADVISER CHARGING ARE THERE?

Each life assurance company uses its own terminology when it comes to adviser charging, so it can be hard to work out what they're describing. We like to keep things simple.

TERM	WHO CAN TAKE THIS?	ADVICE MUST BE	AFFECTS THE 5% ANNUAL TAX DEFERRED ENTITLEMENT	WHEN CAN THIS CHARGE BE TAKEN?	FREQUENCY AVAILABLE	WHERE CAN THIS BE TAKEN FROM?
Adviser charge (AC) ¹	The bond's appointed financial adviser.	General advice on the product	Yes	<ul style="list-style-type: none"> › Inception › Ongoing › Ad hoc 		<ul style="list-style-type: none"> › Direct from client to adviser
Investment adviser charge (IAC) ¹	A qualified investment professional that's named on the Nomination of Investment Adviser Form , and accepted by Utmost.				<ul style="list-style-type: none"> › Monthly › Quarterly › Half-yearly 	<ul style="list-style-type: none"> › Bond
External manager and/or custodian investment adviser charge (EMC IAC) ¹	Not all External Managers can facilitate EMC IAC - the appointed External Manager will be able to confirm whether this option is available. Due to the nature of accounts managed on a Platform, EMC IAC is not available under this arrangement.	Investment advice on the bond's linked assets	No	<ul style="list-style-type: none"> › Ongoing › Ad hoc 	<ul style="list-style-type: none"> › Annual › Ad hoc 	<ul style="list-style-type: none"> › Direct from client to adviser › External account (at portfolio level)



- › ¹Some legacy products do not allow AC or IAC to be taken directly from the bond. For more information please contact our Customer Support team
- › Initial EMC IAC is not available on any product
- › For trust cases, your client can agree to any charges up until they gift the bond into trust. After the trust starts, all trustees must agree to any new or amended charges for advice. Bonds immediately placed in trust (including the Estate Planning Bond and Generation Planning Bond) can only pay initial AC outside the bond before the premium is invested
- › The information within this document is based on our interpretation of current legislation and HM Revenue & Customs' practices as at **1 March 2025**.



HOW DOES THIS ALL WORK?

You may be wondering why we differentiate between the advice given by a financial adviser and an investment adviser. Based on HM Revenue & Customs' interpretation, any appointed investment adviser is technically providing advice to the owner of the assets. A key principle of investing through a life company is that the life company is the legal owner of the assets purchased by the bond. This is why we refer to these assets as the 'bond's linked assets'.

Because we own the bond's linked assets, the investment advice is technically given to Utmost. This is why investment adviser charges don't affect the bond's 5% annual tax-deferred entitlement whilst general advice does. It is also why the client appoints their financial adviser, but nominates their investment adviser, for Utmost to appoint on their behalf.

WHAT ABOUT VAT?

TYPE OF CHARGE	AFFECTS THE 5% ANNUAL TAX-DEFERRED ENTITLEMENT	VAT POSITION
Adviser charge (AC)	Yes	Initial and/or ongoing AC that is specified from outset within the application form or additional single premium form is generally VAT exempt, because it forms part of the intermediation process. This means that the advice is linked to a service bought by the client. Further, ongoing or ad hoc AC that is applied later can also be VAT exempt if it falls under the agreed service relationship.
Investment adviser charge (IAC)	No	Because the investment advice is given to Utmost it cannot be deemed as also being advice to the client. This doesn't form part of the intermediation process, and is usually subject to VAT.
External manager and/or custodian investment adviser charge (EMC IAC)		Discretionary management fees on Utmost PanEurope dac bonds The Irish Revenue's interpretation of the VAT legislation regards portfolio bonds as a VAT exempt Special Investment Fund. The location of the EMC, and the VAT rules of their jurisdiction, are not relevant. This means that when a UK EMC manages the policyholder's investment, the management charges are VAT exempt.



Some advisers may be able to offer the advice free of VAT. The application of this threshold and VAT exemption is dependent on the individual circumstances of the adviser firm and their business practices.

More information on VAT can be found by searching HMRC VATFIN7665.

GET IN TOUCH

If you would like to find out more about adviser charging and the options open to you.

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

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Utmost Wealth Solutions is registered in the Isle of Man as a business name of Utmost International Isle of Man Limited.

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