

ADVISER QUESTIONS AND ANSWERS

ACQUISITION OF AXA ISLE OF MAN BY LCCG ISLE OF MAN LIMITED

QUESTIONS	ANSWERS
<p>1. What transaction has taken place?</p>	<p>› LCCG Isle of Man Limited has purchased the AXA Isle of Man companies. The transaction completed on 21 October 2016. As part of the acquisition AXA Isle of Man has changed its legal name to Utmost Limited, trading as Utmost Wealth Solutions.</p>
<p>2. Which companies were part of the purchase?</p>	<p>› AXA Isle of Man Limited (life assurance company), AXA Isle of Man Administration Limited (trustee service provider), AXA Isle of Man Insurance Management Limited (third party administration provider), AXA Isle of Man Services Limited (service company) and AXA Global Partnerships (dormant company). This represents all of the Isle of Man based operations.</p> <p>› AXA Life Europe is not part of this transaction. However, LCCG has announced that it has signed an agreement to acquire the international linked life business of AXA Life Europe, an Irish incorporated subsidiary of AXA SA, to be implemented by way of a High Court business transfer scheme. This acquisition is expected to complete in early 2017 and at such time the acquired AXA Life Europe business will be transferred to an existing Irish incorporated insurance subsidiary of LCCG and will be marketed under the Utmost Wealth Solutions brand. In the intervening period, new business will continue to be written by AXA Life Europe under the AXA brand and will be transferred to the LCCG group on completion of the court scheme.</p>
<p>3. What can you tell me about LCCG?</p>	<p>› Formed by founding directors Paul Thompson and Ian Maidens, LCCG is a specialist operating in the European life assurance sector.</p> <p>› Prior to the purchase of the AXA Isle of Man group of companies, it focused on acquiring closed books of business. It sees Utmost Wealth Solutions as the centrepiece of a new business strategy to complement the existing closed book strategy.</p> <p>› LCCG is part-owned by the founding directors and part-owned by funds managed by Oaktree Capital Group LLC ('Oaktree')*.</p>
<p>4. What are LCCG's strategic intentions for the Isle of Man business?</p>	<p>› LCCG's strategy is to maintain and grow the UK book of business and to continue the successful relationships with AXA Life Europe in Dublin (for UK-sourced business) (with an agreement to acquire that business in early 2017) and with AXA in Hong Kong and Singapore (for Asian sourced business).</p> <p>› To grow Utmost Wealth Solutions both organically, through increasing the new business volumes written, and through further acquisitions.</p> <p>› To support the current strategy and business plan developed for the business by the existing management team.</p> <p>› Paul Thompson and Ian Maidens have replaced the two current AXA Group non-executive directors on the AXA Isle of Man boards, with the current management team continuing to run the business under Chief Executive, Mike Foy.</p>

*Oaktree is a global alternative investment management firm listed on the New York Stock Exchange. It is regulated by the U.S. Securities and Exchange Commission (SEC) and its UK entity, Oaktree Capital Management (UK) LLP, is authorised and regulated by the Financial Conduct Authority.

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<p>5. What adviser support is now available?</p>	<ul style="list-style-type: none"> › A new dedicated distribution team has been created, incorporating many of the familiar faces you are used to dealing with. A team of nine highly experienced regional sales development managers is located across the United Kingdom and is led by our new Head of Distribution, Simon Woolnough. › Two telephone account managers, based in the Isle of Man office, provide additional support to advisers. › The team is supported by two technical sales managers who have a wealth of experience, numerous qualifications, and are dedicated to providing support to advisers on a wide spectrum of technical areas.
<p>6. Is there any impact on the Defaqto ratings of the currently marketed products?</p>	<ul style="list-style-type: none"> › No, the current Defaqto ratings are unaffected by the purchase. The Utmost Wealth Solutions products, Evolution and the Estate Planning Bond, have retained their five-star ratings. The AXA Life Europe products, Selection and Delegation, have retained their five-star and four-star ratings respectively.
<p>7. Has the purchase affected Utmost's AKG rating?</p>	<ul style="list-style-type: none"> › No, independent rating organisation, AKG, has confirmed that the overall financial strength rating of 'B+' awarded to AXA Isle of Man will remain unaffected by the purchase.
<p>8. Will the purchase affect the company's solvency position?</p>	<ul style="list-style-type: none"> › Our solvency margin will not be adversely affected by the change of ownership. › We are a capital light business and have not required any inward capital investment since December 2000. › We are a unit-linked business, where assets are matched to liabilities. We do not offer gearing, protection or enhanced life cover. As such the effective counterparty risk is very low.
<p>9. Is there any impact on existing policies?</p>	<ul style="list-style-type: none"> › There is no impact on customers' existing policies. The Isle of Man business remains open to new applications and pipeline applications can be completed as normal. › Policy charges are not impacted by the sale and general policy terms and conditions will be maintained for all customers. › Isle of Man policyholder protection is unaffected by the transaction. › Adviser commission on pre-RDR contracts will continue unchanged, unless there is an advice event that brings the policy under RDR rules. New policies will continue to offer our flexible approach to adviser charging.
<p>10. Is there any impact on the Isle of Man trust company?</p>	<ul style="list-style-type: none"> › As a result of the transaction AXA Isle of Man Administration Limited has changed its name to Utmost Trustee Solutions Limited. › Utmost Trustee Solutions will continue to offer competitively priced, professional trustee services to Utmost and AXA Life Europe policies.
<p>11. Is there any impact on the availability of the AWI Deferred Distribution Fund?</p>	<ul style="list-style-type: none"> › No, the AWI Deferred Distribution Fund has been renamed 'Utmost Deferred Distribution' and will remain available for investment.
<p>12. Is there any impact on the other existing AWI mirror funds?</p>	<ul style="list-style-type: none"> › The fund name prefix of 'AWI' has been replaced with 'Utmost'. › There are no other changes to the mirror funds as they form part of the General Life Fund of the company.

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13. Is there any impact on the availability of the existing AXA Life Europe products?	<ul style="list-style-type: none"> › As stated previously, LCCG are expected to acquire AXA Life Europe's linked life business in early 2017. In the intervening period, new business will continue to be written by AXA Life Europe and will be transferred to the LCCG group on completion of the business transfer scheme. › AXA Life Europe new business and claims administration remains in Dublin for now. › There is no intention to alter the terms and conditions of the existing AXA Life Europe Selection and Delegation products.
14. Is there any impact on existing legal (agency etc.) agreements with the company?	<ul style="list-style-type: none"> › There is no impact on legal, agency or external management/custody agreements, as this is simply a change of name.
15. Is there any impact on existing legal (agency etc.) agreements with AXA Life Europe?	<ul style="list-style-type: none"> › AXA Life Europe is not part of this transaction. There is therefore no impact on existing legal, agency or external management/custody agreements.
16. Is the current approved list of external managers and custodians (EMCs) affected?	<ul style="list-style-type: none"> › We don't foresee any changes to our list of approved EMCs (including investment platforms) as a result of the purchase. › Policyholders will still be able to open new accounts with, and transfer existing accounts between, EMCs on the approved list.
17. Do bank account and other references change?	<ul style="list-style-type: none"> › Every effort has been made to keep changes to a minimum. Bank account names have of course changed, but existing account numbers have been kept (wherever possible). › Our VAT registration number will change when we leave the AXA Group. Once separation is fully completed we will register our own VAT Group with the Isle of Man Customs and Excise. Discussions are currently taking place. › With respect to FATCA registration details, on full completion of the purchase the three Participating Foreign Financial Institutions (AXA IOM, AXA IOM Administration, and AXA IOM Insurance Management) will transfer out of the AXA FATCA Group and receive new Global Intermediary Identification Numbers.

A WEALTH *of* DIFFERENCE

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T +44 (0)1624 643 345
 E customersupport@utmostwealth.com
 W www.utmostwealth.com