

Key Features

Introduction

You should read this document carefully as it provides a summary of the main points about Quantum. Before applying for a policy you should consult your financial adviser and also read the rest of the literature suite in full, including the:

- *Brochure*
- *Investment Guide*
- *Terms and Conditions* (a specimen *Terms and Conditions* is available on request)

You should keep all these documents in a safe place along with your Personal Illustration.

Once you have successfully applied for your policy, you will be given a Policy Schedule and *Terms and Conditions*, which you should also keep safely.

You can access the complete suite of Quantum product literature from our website www.rl360.com/quantum.

Availability

- Anyone aged 18 or over can apply for a Quantum policy provided they are not subject to any legislation which prohibits this type of investment. Available to individuals on a single or joint ownership basis as well as companies and trustees, Quantum can be issued as either a life assurance policy or as a capital redemption policy. Please refer to the "How can I set up my policy?" section on page 2 for further details.

Its aims

- To give you the opportunity to invest premiums on a regular basis over the medium to long term with the aim of increasing the value of your investment.
- It will allow you to link your policy to a wide range of funds, with the flexibility to switch between them.

Your commitment

- You agree to make regular premium payments subject to the minimum levels. Details of these can be found in the "How much can I invest?" section on page 2.
- You should view your policy as being a medium to long term investment.

Risks

- Investment growth may be lower than that assumed on your Personal Illustration and as a result the value of your policy may be lower. The value of the funds linked to your policy may go down as well as up and is not guaranteed.
- Charges may be higher than those shown in your Personal Illustration. For example, external bank transfer charges may apply, or switch charges may be imposed at a later date.
- Where the provider of a fund linked to your policy becomes insolvent or is unable to meet its liabilities for any reason, your policy will suffer the loss.
- If you take a withdrawal, the value of your policy will be affected.
- During the early years, charges deducted from your policy may mean that you are unlikely to get back as much as you have paid in. Please refer to the "What are the charges on my policy?" section on page 6 for further details.
- Where you are investing in funds denominated in a currency different to that of your policy, the investment returns may be subject to currency fluctuation risk.
- Changes to the law may affect the tax treatment of your policy or the funds linked to it and reduce the amount you get back in the future.
- Your policy does not protect you from the effects of inflation which will reduce the purchasing power of your investment over time.

Questions and answers

Q What is Quantum?

A Quantum is a regular premium offshore savings policy issued in the Isle of Man by RL360 Insurance Company Limited (RL360°). It is linked to a wide range of funds in a way that is tax efficient and offers the potential for growth, over the medium to long term.

Q How can I set up my policy?

A Quantum can be issued as a life assurance policy or as a capital redemption policy. Your financial adviser will be able to help you decide which option would be most appropriate.

1. The life assurance option is issued on a single life or joint life last death basis. In most cases the life/ lives assured are also the applicant(s); however they can be different if required. It should be noted that the youngest life assured can be no older than 65 years of age when the policy is issued. The policy will remain in-force until the death of the last life assured or the policy is surrendered.
2. The capital redemption option has no lives assured linked to it. The policy can remain in-force for a total of 99 years (inclusive of the premium term) at which time the fund value plus USD160 (or currency equivalent) will be payable and the policy will come to an end. If the policy is surrendered early, then the fund value (less any early surrender charges if applicable) will be payable.

Once you have decided which policy option would be most appropriate, you can then select how you would like your policy to be structured. To help make your policy as tax efficient as possible, you can divide it into 100 sub-policies. Alternatively, you may structure your Quantum as a single policy however you must select either option at the application stage. If you do not tell us which option you would prefer, we will automatically issue your Quantum with 100 sub-policies.

Your financial adviser can help explain why this might provide tax advantages to you in the future.

Q What currency can I select for my policy?

A Quantum is available in the following currencies:

- Pound sterling (GBP)
- Euro (EUR)
- United States dollar (USD)
- Swiss franc (CHF)
- Australian dollar (AUD)
- Hong Kong dollar (HKD)
- Japanese yen (JPY)

The policy currency cannot be changed during the lifetime of the policy.

Q How much can I invest?

A The minimum investment into Quantum is:

Monthly premiums		
Currency	Premium term	
	5 - 9 years	10 years +
GBP	400	200
EUR	480	240
CHF	600	300
USD	640	320
AUD	640	320
HKD	5,000	2,500
JPY	60,000	30,000

Quarterly premiums equal monthly premium x 3
 Half-yearly premiums equal monthly premium x 6
 Yearly premiums equal monthly premium x 12

You can make additional single premium injections at any time subject to a minimum of:

- GBP5,000
- EUR6,000
- CHF7,500
- USD8,000
- AUD8,000
- HKD62,500
- JPY750,000

All premiums must be paid within 30 days of the due date.

Q How can I pay my premiums?

A You can choose to make payments by any of the following methods:

Method	Premium frequency			
	Monthly	Quarterly	Half-yearly	Yearly
Credit Card ¹ / Visa Debit Card	Yes	Yes	Yes	Yes
Direct Debit (GBP ²)	Yes	Yes	Yes	Yes
Standing Order	Yes	Yes	Yes	Yes
Cheque	No	No	Yes	Yes
Telegraphic Transfer	No	No	Yes	Yes
Bankers Draft	No	No	Yes	Yes

¹ A credit card fee will not be charged

² UK and Channel Island bank accounts only

Q Where is my money invested?

A Each premium paid can be invested into a maximum of 10 funds of your choosing, from a range of UK authorised and international collective investment schemes. A full list of available funds can be found in the *Investment Guide*. The minimum premium that can be invested per fund is GBP25/EUR50/USD50/CHF50/AUD50/HKD500/JPY5,000.

You can switch between funds and redirect future premiums into new funds whenever you want. There is currently no fee levied for switching funds however RL360° reserves the right to levy a fee for new switches at a later date.

Q How much of my premium will be used to buy units?

A 100% of each regular premium will be allocated to purchase units in your policy. For additional single premium injections, 93% of each premium will be allocated to purchase accumulation units.

Q What is the premium incentive?

A A premium incentive may apply as per the *Terms and Conditions*, the current terms of which are as follows:

Your policy must have a premium term of at least 10 years or more, and the premium payments due in each policy year (also referred to as “annualised premium”) are equal to or above the minimum premiums shown in the table below:

Premium currency	Minimum annualised premium
GBP	3,600
EUR	4,320
CHF	5,400
USD	5,760
AUD	5,760
HKD	45,000
JPY	540,000

The premium incentive is a multiple of the monthly premium e.g. (annualised premium/12) x incentive, and will be applied to your policy upon commencement as shown in the following table:

Premium term (years)	Incentive (monthly premiums)
5 to 9	0
10 to 14	1.5
15 to 19	3
20 to 24	4.5
25 to 30	6

Any additional premium increase will also qualify for a premium incentive subject to the following rules:

- The annualised regular premium increase is USD5,760 (or currency equivalent) or above; and
- There are 10 years or more left to run of the original premium term.

If both rules are met then the premium incentive will be calculated in the same way as shown above.

Q Who can manage the fund selection?

A You can select funds yourself or have someone else do it for you. If you want to choose funds yourself, you can send your instructions to us directly or via your financial adviser. You can also register for online access to switch funds and/or redirect future premiums. Alternatively, you can appoint an investment adviser who will manage fund selection on your behalf.

Q How can I keep track of my policy?

A Each year, you will be sent a summary valuation showing your policy’s performance. Your financial adviser will also be able to produce electronic valuations of your policy at any time free of charge.

Q Can I view my policy details online?

A Once registered, our secure Online Service Centre will provide you with 24 hour access to all your policy details including valuation downloads. In addition, should you decide to manage your own investments, our online fund switching facility will enable you to redirect future premiums and switch between funds at any time.

Q Can I amend my premiums?

A Regular premiums can be amended as per the *Terms and Conditions*, the current terms of which are as follows:

At the start of your policy you have the option to select premium indexation which will allow you to increase your premiums automatically on each policy anniversary. You can choose to increase the original premium level by either 5% or 10% per year.

You can increase your premiums at any time, however the increase will only take place at the next premium due date. Each premium increase will create its own initial allocation period, surrender charges, premium incentive and loyalty bonus arrangements where applicable. There is no maximum premium limit.

You can request a reduction in your premiums providing the policy has completed its initial allocation period. For further details regarding the initial allocation period, please refer to the “What is the initial allocation period?” section on page 5. There is no maximum decrease as long as the minimum premium levels are adhered to.

The minimum levels by which you can either increase or decrease premiums are set out in the table below:

Regular premiums				
Currency	Monthly	Quarterly	Half yearly	Yearly
GBP	50	150	300	600
EUR	60	180	360	720
CHF	75	225	450	900
USD	80	240	480	960
AUD	80	240	480	960
HKD	625	1,875	3,750	7,500
JPY	7,500	22,500	45,000	90,000

Q What if I want to take a break from paying premiums?

- A** You can take a premium holiday following the initial allocation period for up to 2 years provided:
- The fund value is above the minimum level*; and
 - All expected premiums have been received by RL360°.

Standard charges will continue to apply during the premium holiday period, with the exception of the policy fee which will increase for the duration of the premium holiday. Please refer to the “What are the charges on my policy?” section on page 6 for further details.

Q Can I stop paying premiums into my policy?

- A** Provided the initial allocation period is complete and the fund value is above the minimum level*, you can discontinue payment of future premiums into your policy, and change its status to paid up.

Standard charges will continue to apply, with the exception of the policy fee which will increase. Please refer to the “What are the charges on my policy?” section on page 6 for further details.

*Minimum fund values:

- GBP5,000
- EUR6,000
- CHF7,500
- USD8,000
- AUD8,000
- HKD62,500
- JPY750,000

Q What happens if I change my mind?

- A** If you change your mind and no longer wish to invest in your policy, then let us know. Where payments are made by credit card or direct debit we can arrange cancellation of your payments. However, where payments are made by standing order, you will need to contact your bank directly to arrange cancellation. There will be no return of premiums if you decide to stop the policy within the initial allocation period. If you decide to stop the policy once the initial allocation period is complete, then the surrender value, if applicable, will be paid out.

If your policy has not yet been issued, you can cancel without incurring any policy charges.

You should refer to your financial adviser before making any decision to cancel your policy.

Q What might I get back?

- A** What you get back will depend on how much you invest throughout the premium payment term, the performance of your chosen funds over the lifetime of your policy, our charges and any withdrawals you may take.

Q Can I take withdrawals from my policy?

- A** Regular and one-off withdrawals can be made as per the *Terms and Conditions*, the current terms of which are:

Regular withdrawals

You can take regular withdrawals from your policy once the initial allocation period is complete. All withdrawals are funded from the cancellation of accumulation units and may be taken as a percentage of the fund value, or as a fixed amount.

Regular withdrawals are subject to the minimums set out below:

- GBP250
- EUR300
- CHF375
- USD400
- AUD400
- HKD3,125
- JPY37,500

Total regular withdrawals in any policy year cannot exceed 10% (inclusive of any investment adviser fee if applicable) of the fund value at the start of the policy year.

Regular withdrawals will be paid in the policy currency and can be paid:

- monthly
- quarterly
- termly (i.e. on a 4 monthly basis)
- half-yearly
- yearly

One-off withdrawals

There is no maximum limit for one-off withdrawals, however they cannot be greater than the surrender value of the policy or bring the fund value below the minimum level of USD8,000 (or currency equivalent).

You should always obtain advice from your financial adviser prior to withdrawing any monies from your investment to ensure you have a full understanding of the tax treatment of your withdrawals. If you wish to make a withdrawal, please refer to your financial adviser.

Q Can I cash in my policy at any time?

- A** You can surrender your policy at any time, but you should be aware that if you surrender it during the premium term, your fund value will be subject to a surrender charge and you may get back less than you invested. A policy surrendered within its original initial allocation period will acquire no surrender value - in effect suffering a 100% surrender charge.

A policy or sub-policy surrendered after the initial allocation period may be subject to a surrender charge deducted as a percentage of the initial unit value.

The charge is dependent upon the period from the date of surrender to the earliest of the 30th anniversary of the policy or regular premium increase, and the end of the premium term as shown in the table below:

Years to end of premium term	Charge	Years to end of premium term	Charge
1	8.00%	16	73.50%
2	15.50%	17	75.50%
3	22.00%	18	77.50%
4	28.50%	19	79.50%
5	34.00%	20	81.00%
6	39.50%	21	82.50%
7	44.00%	22	84.00%
8	48.50%	23	85.50%
9	52.50%	24	86.50%
10	56.50%	25	87.50%
11	60.00%	26	88.50%
12	63.00%	27	89.50%
13	66.00%	28	90.50%
14	69.00%	29	91.00%
15	71.50%	30	91.50%

Single premium injections are not subject to surrender charges.

Initial units allocated to a policy as a premium incentive will acquire no value if the policy is surrendered within 5 years of the date when the units were applied.

Sub-policy surrenders

In addition to withdrawals, you may also surrender whole sub-policies once the initial allocation period is complete.

The value of the initial units held within each sub-policy surrendered will be subject to the percentage surrender charge as shown in the table above.

In addition, any initial units allocated to a sub-policy as part of the premium incentive will also acquire no value if surrendered within 5 years of the date when the units were applied.

We recommend that you discuss any withdrawals or sub-policy surrenders with your financial adviser so that you can decide on the most effective method.

Q What happens if I die?

A For life assurance policies

When the last life assured dies, the policy will end. We will require written notification of death along with satisfactory documentation (legal entitlement – “probate”), to be sent to our head office address, before we can pay out. The amount paid out will be 101% of the fund value.

If you are the policyholder but not a life assured then your policy will continue. Ownership of the policy can be passed to the personal representatives of your estate. Please note that if the policy is surrendered before the end of the premium term, the amount paid will be the fund value less any early surrender charges as detailed in the “Can I cash in my policy at any time?” section on page 4.

If the policy has been issued on a joint ownership basis then ownership will be passed to the surviving policyholder.

For capital redemption policies

Capital redemption policies will not automatically come to an end on the death of the policyholder. Ownership can be determined by the personal representatives of your estate in accordance with your will. Please note that if the policy is surrendered before the end of the premium term, the amount paid will be 100% of the fund value less any early surrender charges as detailed in the “Can I cash in my policy at any time?” section on page 4.

Q How is the loyalty bonus calculated?

A When you reach the end of your premium term a loyalty bonus will be added to your policy. The bonus will be 0.25% of the final fund value multiplied by the number of years you have paid premiums in full into your policy – subject to a minimum premium term of 10 years and a maximum of 30 years.

For any period where a policy was on a premium holiday or the policy has been made paid up, then these periods will not count towards the loyalty bonus.

Please note that the loyalty bonus is paid on regular premiums only and does not apply to additional single premium injections.

The percentage of loyalty bonus may be varied in the future at the discretion of RL360°.

Q What is the initial allocation period?

A At the start of your policy an initial allocation period will apply during which each premium paid will be used to purchase initial units. The initial allocation period is dependent upon the premium term of your policy as shown in the table below:

Premium term (years)	Initial allocation period (months)
5 - 18	18
19	19
20	20
21	21
22	22
23	23
24+	24

After completion of the initial allocation period, each premium paid will be used to purchase accumulation units.

If premiums are increased, then the amount of any increase will be subject to a further initial allocation period based upon the remaining premium term.

At the end of the premium term all remaining initial units will be converted into accumulation units on a one for one basis.

Q What are the charges on my policy?

A Our charges cover the setup and ongoing administration of your policy, any commission paid to your adviser and our profit.

The policy charges are set out in the *Terms and Conditions*, the current terms of which are as follows:

Initial unit charge

A charge of 0.50% per month will be deducted from the value of the initial units held within your policy. This charge will be deducted in arrears throughout the premium term.

Contract charge

There is an ongoing contract charge of 0.125% of the current fund value, deducted each month in arrears. The charge is applied proportionately across both initial and accumulation units.

Policy fee

A monthly policy fee will be deducted in arrears from your policy. The monthly fee is:

GBP5.00/EUR6.00/CHF7.50/USD8.00/AUD8.00/HKD62.50/JPY750.00.

The policy fee will be multiplied by 3 where a policy is on a premium holiday or made paid up.

The policy fee will increase every year in line with the Isle of Man Retail Price Index. Further information on the Isle of Man Retail Price Index can be found at www.gov.im/treasury.

Investment fund(s) annual management charge

The fund(s) that are held within your policy are managed by external third party fund managers and are subject to an annual management charge. The charge will vary according to the fund(s) chosen and further details

can be obtained from your financial adviser or the *Investment Guide*. The annual management charge levied by the fund manager(s) is in addition to the product charges and is reflected in the fund price.

Investment adviser fee

If you choose to appoint an investment adviser there may be an investment adviser fee deducted from your policy. The amount of the fee should be agreed between yourself and your financial adviser. The amount deducted, if any, will be classed as a withdrawal from your policy and will be passed to your investment adviser.

Other charges

If you require any more than the standard annual valuation statement, a charge may be made for each additional valuation. Alternatively, you and your financial adviser can download these free of charge from our Online Service Centre. Further details on the charges are given in the *Terms and Conditions*.

We reserve the right to vary these charges in the future. We will advise you of any variation of charges where appropriate.

Q What is the tax position of my policy?

A RL360° is subject to Isle of Man tax laws. Therefore any growth or income earned in your policy is not taxed in the Isle of Man. However, withholding tax may be deducted at source on income arising from investments held in some countries, which cannot be reclaimed by us. You may have a personal liability to tax depending on the tax regime in your country of residence and your own personal circumstances. Tax implications should be discussed with your specialist adviser.

Q What do I do next?

A If you have read the *Quantum Brochure, Investment Guide, Terms and Conditions* and these *Key Features* and have taken advice from your financial adviser, all you need to do is complete the *Application Form* and send it, together with any payment instructions, to your financial adviser who will pass it to our Isle of Man New Business team. The *Application Form* should be accompanied by your Personal Illustration.

Depending on your payment frequency, you may invest by credit card, direct debit, standing order, telegraphic transfer, banker's draft or cheque.

Cheques should be made payable to "RL360 Insurance Company Limited" and building society cheques should be referenced with the account holder's name and building society account number on the front of the cheque.

If you wish to make payment by telegraphic transfer or standing order, please contact the New Business team on +44 (0) 1624 681 578. Any charges associated with payment by telegraphic transfer will be deducted from the value of each premium.

Important information

How to contact us

If you wish to invest an additional premium, make a one-off withdrawal, perform a fund switch, or surrender your policy, please speak to your financial adviser first. If you require further information then please contact us.

Head office address

RL360 Insurance Company Limited
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IM2 2SP
British Isles

Telephone: +44 (0)1624 681681
(we may monitor calls to improve our service)

Email: csc@rl360.com

Website: www.rl360.com

Complaints

If you wish to complain about any aspect of your policy please consult your financial adviser or write to our Head of Customer Services at our head office address.

Complaints about our products or service will be dealt with in accordance with the Complaints Handling Policy, a copy of which is available on request. If a complaint regarding the administration of the policy is not dealt with to your satisfaction you can refer it to the Financial Services Ombudsman Scheme for the Isle of Man, Isle of Man Office of Fair Trading, Government Buildings, Lord Street, Douglas, Isle of Man, IM1 1LE, British Isles. Telephone +44 (0) 1624 686500.

Law and language

Quantum is governed by the law of the Isle of Man. We will always write and speak to you in English.

Compensation

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders protection scheme, which covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liability where it is unable to meet its financial obligations. RL360 reserve the right to adjust the returns to cater for any levy or charge made on it under the regulations or similar legislation.

Important notes

Quantum is available exclusively in association with financial advisers. Your financial adviser can provide a final recommendation as to whether or not Quantum is suitable for you.

Quantum is available as either a life assurance or capital redemption policy. Please note that once your policy has been issued, you cannot change its basis from a life assurance policy to a capital redemption policy or vice versa.

The information contained in these *Key Features* is based on our understanding of Isle of Man legislation as at December 2013.

Whilst every care has been taken in producing this document, we cannot accept responsibility for our interpretation or any subsequent changes to legislation. These *Key Features* are not intended as a substitute for legal or tax advice.

Servicing

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