LOMBARD
INTERNATIONAL
ASSURANCE

Lombard Life Plan Lombard International Assurance S.A.

02.08.2022

Product Information

Insurer	Lombard International Assurance
Brief description	Unit-linked contract for international clients, including legal entities and trustees
Duration	Whole of Life
Policyholder	One or more physical person(s), legal entity or trustee
Life assured	One or more physical person(s) (aged between 16 and 85 years old)
Beneficiaries	One or more physical person(s) and/or legal entity(ies)
Contract currency	USD
Premium payments	Free frequency by transfer of cash or transfer of assets
Minimum initial payment	USD 1,000,000
Additional payments	USD 15,000
Partial surrender	Possible at any time
Full Surrender	Possible at any time
Cancelation	Possible during thirty calendar days after the date on which the Policyholder has been informed that the Policy has been concluded.
Investment supports available	1 or more Internal Dedicated Funds
Payment in case of death	Surrender value of the policy (its net value after disinvestments) plus the proceeds from the death cover
Death cover	Standard death cover: (Death Cover) - 1% of the surrender value of the policy limited to a maximum of USD 8,000 (standard), Optional death covers: - between 1% to 10% of the Fund Value, - between 1% to 100% of the Premium, - a fixed amount (with a maximum equal to the premium);

Contract pledge	Possible

Product costs

For standard business, the maximum charges applicable to the policy are defined as below.

The maximum charges do not necessarily reflect any specific distribution agreement.

- Potential initial charge, on each premium payment, of maximum 2% (for Lombard International Assurance and/or the Distributor),
- Administrative annual fee, during the life of the policy, on the policy value, deducted on a quarterly basis,
  - Annual Administration and Renewal Charge rate of maximum 2% (to be split between Lombard International Assurance and the Distributor),
  - Potential Policy Fee of 1,994 USD maximum (for year 2022),

    The Policy Fee will be indexed annually at 1 January each year. The rate of indexation will be less than 2% above the reference index but never less than 0%. The reference index is the 12- monthly IPCH (Indice des Prix à la Consommation Harmonisé (Harmonised consumer price index)) rate, as published by STATEC (Service central de la statistique et des études économiques – the Luxembourg State Statistics Department) on 30 November.
- In case of partial or total surrender during the initial period, there may be a Surrender charge equal to maximum to the amount of the Administration Charge still outstanding.
- In case of a switch between Funds, after two free switches per calendar year, a switch fee can be applied.
- There are also third party fees including, but not limited to, distribution fee which will be charged on the policy; Custody bank fees, Management fee, Advisory fee, Order receipt and transmission fee and, if applicable, fund administrator fee which will be charged on the relevant Fund.

For non-standard business, for processing certain administrative activities or any complex set-up, Lombard International Assurance will charge additional fees.

The inclusion of Specialised Investments as Underlying Assets is subject to the prior consent of Lombard International Assurance and to additional charges, with the mark-up ranging between 25% of the Administration Charge with a minimum of USD 750 and 100% of the Administration Charge with a minimum of USD 3,000, depending on the Specialised Investments and assessed on a case by case basis.

Mortality charges will be charged quarterly on the policy value for the optional death cover. Mortality charges will vary according to the age and health of the youngest life assured as well as the sum at risk.

Conflicts of interest

Regarding the promotion, intermediation and conclusion of the policy, Lombard International Assurance is not in a situation of conflict of interest.

Nevertheless, there could be situations on occasion which might present an unavoidable situation of conflict of interest. In these situations, if all organisational and administrative provisions that have been taken are not sufficient to ensure that risks of damage to Policyholder interests will be prevented, Lombard International Assurance will provide the concerned Policyholder with a specific description of the conflict of interest. This communication will disclose the general nature and where applicable, the source of such conflict of interest, as well as the risks that arise as a result and steps undertaken to mitigate these risks. Lombard International Assurance will also clearly state that the organisational and administrative arrangements established by the insurer to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be prevented.

Examples of these situations may include the execution of a variety of activities, including (i) investment activity, divestment of Eligible Assets, and/or (ii) connected activities such as deposit or management.

These activities could arise, for example, when the issuer of Eligible Assets, the Investment Managers, or the Custodian Bank are bound to Lombard International Assurance by business relations or make part of the same group.

Lombard International Assurance has defined a procedure to identify, prevent and manage those situations of conflict of interest. In particular, this procedure is designed to:

(a) identify the situations of conflict of interest;
(b) prevent and manage potential conflicts of interest;
(c) inform Policyholder about potential situations of conflict of interest that might harm their interests;
(d) register conflicts of interest.

The Distributor and the Policyholder can request and obtain from Lombard International Assurance additional information about the procedure related to conflicts of interest and obtain a copy of the document that lays out the procedure.

Product Approval process

The Product Approval process applies the right balance of control, depth of detail in documentation and challenge depending on the risk assessment of the product and market at stake. The process is made up of several stages and each stage has a set of activities and decisions associated.

Idea Generation

This stage of the process is to develop an understanding of customer, commercial and/or compliance needs and to start to develop a concept that meets these needs.

Idea Screening

Based on the information acquired, a formal decision is made on that basis whether the requested development is being taken to the next stage.

Planning & Due Diligence

Should the idea succeed to the screening stage, the project plan will be drafted with a number of specific development steps to go through to build the product/service. It will be shared with all stakeholders asking them to approve deadlines and resource needs.

The results of this preliminary analysis and recommendations will be presented to the Product Oversight Committee whose authority is delegated from the Executive Committee, and which will decide whether the requested development will be taken to the next stage of development.

Development

Following the Product Oversight Committee’s agreement to develop the product, the Product Development Team will proceed with the development phase, which includes, but is not limited to: setting up the products, system integration testing and risk mitigations actions on the identified risks.

In this framework, the Target Market, compatible with the product under development is identified and a Product Testing is performed.

Risks for Policyholders

Lombard International Assurance is subject to Luxembourg legislation governing the protection of insurance-linked assets. The underlying assets of its policies are segregated from the Insurer's own assets and liabilities and are deposited with an independent credit institution with the approval of the insurance regulator, the Commissariat aux Assurances. All such assets, other than cash deposits, are required to be held off-balance sheet at the credit institution.

In the unlikely event of the failure of Lombard International Assurance, policyholders have a super-preferential right over the value of underlying assets. Furthermore, policyholders have a preferential right, which overrides any other right, except those defined by law, over the assets of the Insurer in the event that the segregated pool of underlying assets is not sufficient to cover all insurance claims. The above asset protection regime is neither a compensation scheme nor a guarantee scheme. Investment risk in the underlying assets, including from the failure of an asset issuer or other investment counterparty, is borne by the policyholder.

The Policyholder bears the risk associated with the negative performance of the assets underlying the Units of the Funds linked to the policy, the "Fund".

The typical financial investment risks to which the Policyholder is exposed can be summarised as follows:

(a) **Specific risk and Systematic risk**: this risk is typical of the equity securities (e.g. shares) in which the Fund invests, and is linked to the variability of their prices, which reflect both the market outlook regarding the issuer's economic performance (specific risk) and fluctuations in the markets on which the instruments are traded (generic risk);
(b) **Credit risk**: this risk is typical of the debt securities (e.g. bonds) in which the Fund invests, and is linked to the possibility that the issuer may be unable to pay the interest or repay the principal; the value of the security, and therefore of the respective Fund, reflects this risk by fluctuating as the issuer's credit conditions change;
(c) **Interest risk**: this risk is also typical of the debt securities in which the Fund invests, and is linked to the variability of their prices due to fluctuations in market interest rates; the longer these fluctuations last, the more pronounced the impact on the prices of the securities and therefore, on the yields, especially in the case of fixed-income securities - a rise in market rates will cause a fall in the price of the security, and therefore of the respective Fund, and vice versa.
(d) **Counterparty risk**: the risk that the issuer or counterparties will be unable to meet their obligations;
(e) **Liquidity risk**: the risk that the securities in which the Fund invests may not be readily convertible into cash without a loss of value, when necessary. This depends primarily on the characteristics of the market on which the security is traded;
(f) **Exchange risk**: the risk of fluctuations in the exchange rate of the Policy currency, namely USD, against the Fund Currency and any other currency of denomination of the assets in which the Funds' assets are denominated;
(g) **Country risk**: the risk linked to investments in foreign markets, particularly emerging markets, where the political and/or economic situation of the issuer's country or the relevant regulations may offer lower levels of guarantee and protection for the Policyholder.
(h) **Derivative investment risk**: this risk is typical of the derivatives in which the Funds may invest, and is linked to the variability of their prices due to (i) the leverage associated with them, (ii) the creditworthiness of the counterparties involved, and/or

(iii) the potential illiquidity of the markets on which they are traded (particularly in the case of instruments not traded on regulated markets or “over the counter”). Where derivatives are used for hedging purposes, the investment risk is linked to price variability arising from insufficient correlation with the value of the underlying asset or of the hedged position.

Target market

Investor Type

The product is designed for natural persons, retail and professional investors as defined in Directive 2014/65/EU, for corporate entities for Trustees. It is intended for lives assured at least 16 years old with a maximum age of 85 years at policy inception.

Knowledge and/or Experience

The product is addressed to a Policyholder with (i) an average level of knowledge of, or investment experience in, packaged retailed and insurance-based investment products, financial markets and asset class(es) allowed by the product or with (ii) financial industry experience.

Ability To Bear Losses

The product is intended for a Policyholder who is able to bear investment losses. He/she is able to afford very limited to high downward fluctuations and losses over the short to medium-long term as defined in the suitability assessment process.

Risk Tolerance

The level of risk of the product is from 2 to 6 on a scale of 1 to 7, according to the summary risk indicator in accordance with PRIIPS Regulation 1286/2014. It indicates the likelihood that the product will lose money because of markets movements or the insurer's inability to pay out. The level of risk varies according to the investment strategy associated to the underlying investment supports or their asset allocation.

Liquidity accessibility

The Policyholder targeted by the product has at least a minimum amount of USD 1,000,000 to be invested in the product.

Objectives and needs of the investors

The product is intended for a Policyholder seeking a medium to long term investment hence, the recommended holding period is 10 years.

This product is a whole of life insurance based investment product, which in return for a single initial premium paid, provides an insurance benefit upon either the death of the relevant Life Assured or at the end of the agreed term. It is intended for a Policyholder looking for medium/long term savings.

The product can satisfy one or more sustainability preferences being expressed by the Policyholder in the appropriate questionnaire, depending on the characteristics of the investment options offered. Therefore, the product only takes into account the sustainability factors considered by the investment manager in relation to the investment options offered from time to time.

The type of Policyholder targeted by the product varies on the basis of each underlying investment support (potentially envisaging sustainability factors), their characteristics and their potential combinations.

Distribution Strategy

The product is distributed through external brokers, tied or multi-tied agents, or directly by employees of Lombard International Assurance.

Negative Target market

This product is not appropriate for clients looking for a guaranteed return product or a product with a capital guarantee.

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