

Key Features of the Advantage Investment Plan

from the Select Portfolio

This is an important document which you should keep along with your personalised Illustration.

Alico is a leading international life insurer with a unique heritage of serving customers across the globe for over 85 years. The company provides consumers and businesses with products and services for life insurance, accident and health insurance, retirement planning, and wealth management solutions. Through an extensive network of over 40,000 agents, brokers and financial institutions and 11,000 employees across 54 countries, Alico services 19 million customers worldwide.

Alico has branch offices, subsidiaries and affiliates in emerging, developing and developed markets in Europe, Asia, the Middle East, Africa and Latin America. Alico is domiciled in Wilmington, Delaware and has regional headquarters in Tokyo, Paris, Athens, Dubai, and Santiago, Chile.

Key Features of the Advantage Investment Plan

The Financial Services Authority is the independent financial services regulator. It requires us, Alico Wealth Management, to give you this important information to help you decide whether or not the Advantage Investment Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This Key Features Document and your personalised Illustration give you the important information you need to consider before investing in our Advantage Investment Plan. For information on the investments available within the Advantage Investment Plan, please refer to the Select Investment Range guide and Select Investment List. The full terms & conditions can be found in the Core Policy Conditions, Specific Policy Conditions - Advantage Investment Plan and Asset Rules documents. For further information on the application process, please see our 'Applying for an Advantage Investment Plan' leaflet. You can get these documents from your financial adviser or from our website at www.alicowm.co.uk.

You need to be comfortable with the information contained in these documents, and we recommend that you discuss them with your financial adviser. Alternatively, please feel free to contact us. You can find our contact details at the end of this document.

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Key Features of the Advantage Investment Plan

What is the Advantage Investment Plan?

The Advantage Investment Plan is part of the Select Portfolio from Alico Wealth Management. The Select Portfolio is a collection of retirement and investment products available only through recommendation from a financial adviser.

The Advantage Investment Plan is an HM Revenue & Customs (HMRC) certified UK qualifying life policy. It is a savings plan for investors between the ages of 18 and 65, which allows a cash sum to be invested every year for ten years into a wide range of investments offering different levels and types of risk and return. You can choose to invest between £25,000 and £500,000 each year. You must pay your chosen amount for the first six years, followed by four payments at half that level for the remaining four years.

As long as you hold your Plan for at least seven and a half years and make all of your specified annual investments for this period when they are due, the proceeds of your Plan will be free of any liability to personal tax above the basic rate.

The Plan provides **Life Assurance**, which provides insurance on your own life and/or the life of another named individual - such as your spouse, partner or civil partner - with whom you have a financial relationship. Those covered are referred to as the Life or Lives Assured. In the event of the death of the Life (or Lives) Assured, a cash sum - called the **Death Benefit** - will be paid. This is free from personal income tax and capital gains tax.

You can find details of how the Death Benefit is calculated on page 6.

Although we refer to a single Advantage Investment Plan, each one is made up of 1,000 identical policy segments to increase flexibility and tax efficiency if you make any withdrawals. Please see the 'Withdrawals and early surrender section' on page 5 for further details.

Its aims

The aims of the Advantage Investment Plan are:

- To enable you to invest annual amounts for ten years with the aim of increasing the value of your investment in a tax-efficient way.
- To provide a tax-efficient Death Benefit to be paid on the death of the Life (or Lives) Assured.

Suitability

The Advantage Investment Plan may be suitable for those:

- Between 18 and 65 years of age.
- Who are higher rate taxpayers or top rate taxpayers and are seeking tax-efficient investment returns.
- Who are able to commit to making regular annual investments of at least £25,000 per annum for the first six years of their Plan followed by four payments of half this amount for the remaining four years of their Plan.
- Who do not anticipate that they will need to surrender their Plan or withdraw money from it for at least seven and a half years.
- Who may be seeking potentially higher returns than those available through bank and building society accounts and accept this will involve taking a greater risk.
- Who understand that the value of their investment may fluctuate and that their capital may be at risk.
- Who want life cover on their own life and/or the life of another named individual - such as a spouse, partner or civil partner - with whom they have a financial relationship.
- Who make their investment choices with the assistance of a financial adviser.

Please note: Because of the specific tax benefits offered by the Advantage Investment Plan, it is important that you discuss your tax position in detail with your financial adviser before investing in the Plan.

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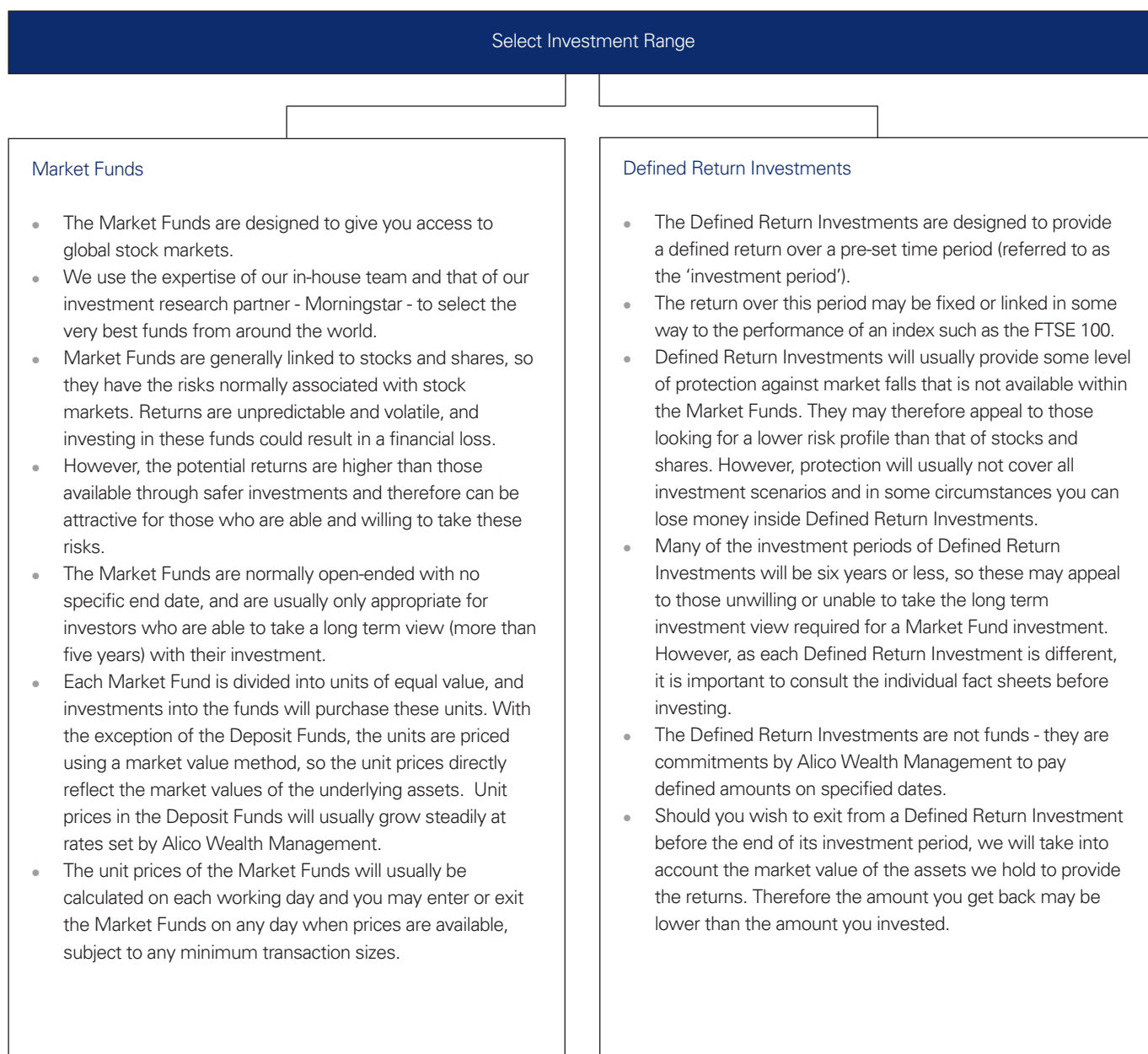
The Select Investment Range

When you invest in an Advantage Investment Plan, you have the opportunity to choose from a wide range of investments offering different levels and types of risk and return.

What's more, we've chosen to work with Morningstar Associates Europe Ltd ('Morningstar') as our investment research partner. Morningstar draws upon the research and data resources of Morningstar, Inc., which employs more than 2,300 people across 24 offices worldwide, providing local market expertise with a real global reach. Morningstar, Inc. has over 20 years' experience across global

markets and has an enviable reputation for helping investors achieve their financial goals.

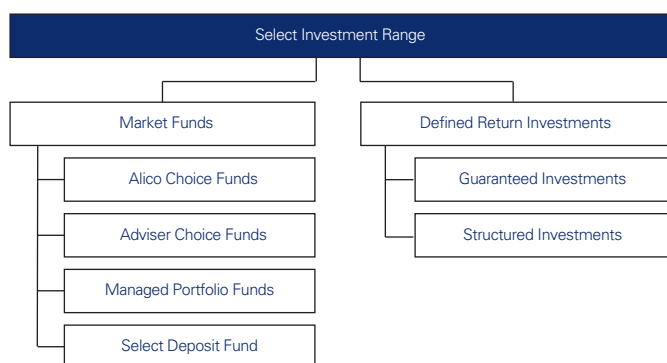
There are two types of investment in the Select Investment Range - Market Funds and Defined Return Investments. The diagram below provides details of the characteristics of each of these investment types.



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Investment categories - overview

Each of the investment types in the Select Investment Range in turn contains different categories of investment, as outlined in the table below.



These investment categories are briefly explained below. You can choose up to 15 investments to hold within your Advantage Investment Plan.

Market Funds - Alico Choice Funds

These are a panel of around 100 funds managed by some of the leading investment companies in the market, such as Invesco, Fidelity, Jupiter and Schroders. These are carefully selected by our in-house investment research team with support from Morningstar. Our rigorous research process gives you the reassurance that the funds you are investing in have been identified by our team of experts as having strong potential to outperform other similar funds.

Market Funds - Adviser Choice Funds

The Adviser Choice Funds are designed to complement the Alico Choice Fund panel by making available a selection of other leading funds that are popular in the marketplace.

Market Funds - Managed Portfolio Funds

The Managed Portfolio Funds invest in a selection of Alico Choice Funds. These are ideal for clients and advisers who want expert guidance on which Alico Choice Funds to select and how much of each to hold. There is a choice of ten Managed Portfolio Funds: five where the investment strategy is driven by our in-house team and five that are constructed by Morningstar.

Market Funds - Select Deposit Fund

This is a fund that invests in short term bank deposits and other secure **money market investments**. It is designed to be a very low risk fund for the cash element of your investment portfolio.

A **money market investment** is a short-term (typically less than one year), highly liquid investment - provided by the Government or a very strong company - that is traded on money markets.

Defined Return Investments - Guaranteed Investments

The Guaranteed Investments offer different levels of return over a choice of fixed investment periods - as well as full capital protection - providing you hold them until the end of their period. Both the returns and the capital protection are guaranteed by Alico Wealth Management.

Defined Return Investments - Structured Investments

The Structured Investments offer a variety of different returns that depend on the performance of a financial index (usually the FTSE 100) over fixed investment periods.

To generate the defined returns offered by the Structured Investments, we invest in high quality assets, usually with an investment bank. Alico Wealth Management guarantees that it will pay the promised returns even if those assets default. This removes the **counterparty risk** that is normally associated with structured products, where the investor bears the risk of the underlying assets defaulting.

A **counterparty** is a third party company that provides the assets behind structured investments. **Counterparty risk**, otherwise known as default risk, is the risk that a company does not pay out on an investment when it is supposed to.

Your financial adviser can provide you with more details on each of the investments available in the Select Investment Range and whether they are suitable for you.

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Your commitment

- You will need to commit to making regular annual investments of at least £25,000 each year for the first six years of your Plan followed by half this amount for the remaining four years of your Plan.
- You will need to make each of these annual investments within 30 days of the relevant anniversary of the starting date of your Plan.
- You should intend to hold your Plan for at least seven and half years without making withdrawals, or it will lose qualifying status and the tax advantages of the Plan will be lost. Also, the Death Benefit will reduce to 101% of the value of your Plan.

Risks

- If you are invested in a Market Fund, we do not guarantee what you will get back and you may get back less than you invested into these funds.
- Not all Structured Investments offer full capital protection, so in some circumstances you can lose money in these investments.
- Tax rules may change and this may mean you have to pay more tax than you expected.
- When you open an Advantage Investment Plan, you will have 30 days to change your mind. However, if you choose to cancel and the value of your chosen investments has fallen, you will get back less than you paid in.
- If you do not make your annual investments within the required timescales, your Plan will lose its qualifying status. This means that the tax advantages of the Plan will be lost and the Death Benefit will reduce to 101% of the value of your Plan.
- The real value of the money you invest will be affected by inflation.
- If the Death Benefit is paid to your estate, it may be subject to Inheritance Tax.

How the Advantage Investment Plan works

Applying for the Plan

When you apply for the Advantage Investment Plan, we will ask you (and any other Life Assured) some questions about your health and activities to confirm that you will be eligible for the Death Benefit. We don't normally need a medical examination, but we may in certain circumstances have to collect additional information about your health to confirm whether you are eligible for the life cover and, if so, how much we will need to charge for the Death Benefit. Please note that if you are not eligible for the life cover, you will not be able to invest in the Advantage Investment Plan.

To ensure that this information is collected as quickly as possible and at a time that is convenient to you, a qualified nurse from a specialist partner company MorganAsh will telephone you at a pre-arranged time to conduct a confidential telephone interview. MorganAsh are the leading tele-interviewing provider in Europe, employing more than 100

experienced nurse tele-interviewers. Please see our 'Applying for the Advantage Investment Plan' leaflet for further details.

Your first annual investment

When you make your first annual investment we will set up your Plan. If any of your **Amount Allocated** is to be placed in Market Funds, we will place 99% of the relevant amount in those funds and 1% in the **Select Account**.

If you are only investing in Defined Return Investments, we will estimate the cost of providing the Death Benefit in the first year (in line with the charges on your personalised Illustration) and allocate this to the Select Account.

The **Amount Allocated** is your first annual investment less any Initial Adviser Remuneration (see page 7 for details).

Your **Select Account** holding will only be used to pay charges due on any Market Funds, as well as the Death Benefit Charge and any ongoing remuneration you have agreed with your financial adviser (please see the 'Charges' section on page 6.) There is no risk to the money you have in the account. When the balance of your Select Account holding falls below 0.25% of the value of your Market Funds, we will automatically replenish it to 1% by transferring from a Market Fund you have nominated in your Application Form.

Your subsequent annual investments

Just before each anniversary of the starting date of your Plan, we will write to you to remind you that the next annual investment is due. You will need to make your annual investments within 30 days of the relevant anniversary of the starting date of your Plan. The level of your subsequent annual investments cannot be higher than amount of your first annual investment.

If we don't receive an annual investment within 30 days of the date it is due, the Plan will lose its qualifying status. This means that the tax advantages of the Plan will be lost and the Death Benefit will reduce to 101% of the value of your Plan. We may also encash your Plan and return the market value of the Plan to you.

If, when we receive an annual investment, you are only invested in Defined Return Investments, we will estimate the cost of providing the Death Benefit for the following year and allocate this to the Select Account.

Withdrawals and early surrender

The Advantage Investment Plan is designed to be held until the end of the 10-year investment term. Withdrawals from the Plan can only be made by surrendering any or all of the policy segments. If you

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surrender any policy segments we will cancel those policy segments and return to you the market value of the investments within those policy segments. Subsequent annual investments and the Death Benefit will reduce in line with the number of policy segments that remain. For example, if you surrender 500 policy segments, your next annual investment on the remaining 500 policy segments in the Plan would be half the original annual investment amount. Please also note that you will lose tax advantages on any policy segments you surrender within seven and a half years of the starting date of your Plan. As such, it is important that you speak to your financial adviser to discuss the potential tax implications of surrendering any policy segments before the end of the 10-year investment term.

Death Benefit

If the Life Assured (or, in the case of joint Lives Assured, both Lives Assured) dies before the maturity of the Plan, a Death Benefit will be paid. Payment of the Death Benefit will terminate the Plan.

The Death Benefit paid will be the greater of 101% of the value of the Plan at the date of notification of death and the Minimum Death Benefit in the table below:

Age next birthday of youngest Life Assured on the starting date of the Plan	Minimum Death Benefit (% of initial annual investment)
56 or under	600%
57	584%
58	568%
59	552%
60	536%
61	520%
62	504%
63	488%
64	472%
65 (maximum age)	456%

Please note that there are some exclusions. If the death of the Life Assured (or either of the Lives Assured) is caused directly or indirectly by any of the excluded events outlined in the Policy Schedule, the Death Benefit will be 100% of the value of the Plan at the date of notification of death.

The exclusions will include:

- hazardous pursuits such as boxing, caving, climbing, horse-racing, jet-skiing, martial arts, mountaineering, off-piste skiing, pot-holing, power-boat racing, under-water diving, yacht racing or any race, trial or timed motor sport.
- non-standard aviation, which includes any flying activity other than travelling as a passenger or as a member of cabin crew on a scheduled or chartered flight.
- suicide (even if the Life Assured is insane at the time of suicide).

Maturity

At the end of the 10-year investment term, you can choose to have the value of your Plan returned to you. Alternatively, you may transfer the value of your Plan into an Alico Wealth Management single premium investment bond (if a suitable vehicle is available at the time).

Charges

1. Asset Charge

When you invest in the Advantage Investment Plan, there is an annual Asset Charge on each of your investments. For Market Funds, the Asset Charge is typically 0.75% per annum. The charge is deducted from your Select Account holding on a daily basis.

As part of our commitment to ensuring the quality of the Alico Choice Funds we offer performance-related rebates. At the end of each quarter (March, June, September and December), we measure the performance of each third party fund on the Alico Choice Fund panel against the most appropriate benchmark for its sector over time periods of 1, 3 and 5 years:

- If a fund with a track record of 5 or more years has bottom half performance over 2 of the 3 time periods, we'll reduce the effect of the Asset Charge by 0.25% for the following quarter by rebating a proportion of our charge back into the fund (see funds A and B in the table below).
- If a fund with a track record of less than 5 years has bottom half performance over both 1 and 3 years, we'll reduce the effect of the Asset Charge by 0.25% for the following quarter by rebating a proportion of our charge back into the fund (see funds C and D in the table below).

You can find the specific benchmark for each Alico Choice Fund by referring to the individual fund fact sheet.

Example

Fund	1 year Performance.	3 year Performance.	5 year Performance.	Qualify for 0.25% rebate
A	Top half	Bottom half	Top half	No
B	Bottom half	Top half	Bottom half	Yes
C	Bottom half	Bottom half	N/A	Yes
D	Top half	Bottom half	N/A	No

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If, at the end of the following quarter, the fund has achieved its top half performance requirements, the rebate will cease. If not, we will continue with the rebate.

Funds that are eligible for a rebate are not necessarily bad funds, and they may remain on the Alico Choice panel if we consider them to continue to have strong potential to outperform other similar funds.

If a fund is relegated from the Alico Choice panel, an alternative will be provided and any rebate that may have been applicable to the relegated fund will cease.

Any Managed Portfolio Fund (see page 4 for details) containing one or more rebated Alico Choice Fund(s) will receive a proportional rebate.

The Asset Charge that applies to each Defined Return Investment will be reflected in the rate of return offered, so will not require a Select Account holding or a deduction of units.

2. Fund Manager Charges

Most Market Funds will be managed by a fund manager, usually outside Alico, who will charge an Annual Management Charge (AMC) which is reflected in the values of the assets within the fund. The effect of these AMCs inside the Market Funds will usually be lower than the AMC you would pay if you invested in the fund directly, as we can use our purchasing power to negotiate discounts from the fund managers, and we always reflect these discounts in the charges that are passed on to you.

The fund manager may also make a charge when an investment is made into the fund. This is known as an initial charge and we will also reflect this in the unit prices that we calculate.

The Select Investment List will give details of each Fund Manager Charge.

3. Death Benefit Charge

There is a charge for providing the Death Benefit, which is deducted from your Select Account holding on a daily basis.

The charge applies to the excess (if any) of the Minimum Death Benefit (see page 6) over the value of the Plan, and will depend on the number of Lives Assured, their age and sex, whether they smoke, and any health factors identified at the time of application.

The size of the excess depends on the value of the Plan and so the actual charge for the Death Benefit will vary on a daily basis.

Your personalised Illustration provides specific details of the Death Benefit Charge you will pay if you invest in the Advantage Investment Plan. You can get this from your financial adviser.

4. Adviser Remuneration

The Advantage Investment Plan is designed to give you and your financial adviser a number of options when it comes to **Adviser Remuneration**.

Adviser Remuneration is the amount you agree your financial adviser may receive in return for the advice and service they have given you. **Initial Adviser Remuneration** is the amount you agree your adviser may receive from your annual investments. This is deducted from your Amount Invested before it is allocated to your chosen investments. For these annual deductions, you can select a period from 1 year going up to 10 years. **Ongoing Adviser Remuneration** may be paid to your adviser for the ongoing advice and service they give you. This is taken from the Select Account holding on a daily basis by deduction of units. **Adviser Review Remuneration** may be paid to your adviser if - following a review of your Advantage Investment Plan - they make any switches between your underlying investments. This is deducted from the amount reinvested.

5. Tax

We are subject to tax by the HMRC on the assets within the Advantage Investment Plan, and we will take this into account when we calculate the unit prices and growth rates.

For full details of the charges outlined in this section, please refer to your personalised Illustration or the Select Investment Range and Select Investment List documents, which you can get from your financial adviser or from our website at www.alicowm.co.uk.

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Questions and Answers

Can I change my mind?

After your application has been accepted and your first annual payment has been allocated to your chosen investment(s), you will receive a notice telling you about your right to change your mind and how to cancel. You'll then have 30 days in which to cancel your investment.

If you decide to cancel, we will give you your money back including any Initial Adviser Remuneration, but please note that if the value of your investment has fallen in the meantime, you will get back the value of your Plan and not the full amount you invested.

If you do not exercise your right to change your mind, you will remain invested and the proceeds of your Plan will be free of any liability to personal tax above the basic rate as long as you hold your Plan for at least seven and a half years and make all of your specified annual investments for this period when they are due.

What is my tax position?

Currently there is no personal liability to lower or basic rate income tax, or capital gains tax, for holders of the Advantage Investment Plan, as Alico Wealth Management will have accounted for tax liabilities on the underlying investments. Non-taxpayers cannot recover tax paid by Alico Wealth Management.

As the Advantage Investment Plan is designed to be a qualifying UK life assurance policy there will be no higher rate tax or top rate tax to pay provided that the Plan remains in force for seven and a half years and all investments are paid when due throughout this period.

Policies that are surrendered during the first seven and a half years will lose their qualifying status and there may be further tax to pay. In these cases the total of your annual investments is deducted from the surrender value, to establish the chargeable gain of the policy. Higher rate taxpayers will usually be liable to tax at a current rate of 20% on the whole of the chargeable gain. Top rate taxpayers will usually be liable to tax at a current rate of 30% on the whole of the chargeable gain. Clients entitled to Age Allowance should be aware that the surrender of policies within seven and a half years may result in the reduction or loss of their allowance.

On death of the Life Assured (or the second of the Lives Assured for joint Lives Assured cases) there is no liability to income tax provided that all investments have been paid when due. If the proceeds are paid to your estate, they may be subject to Inheritance Tax.

There is no tax liability created when switching between investments within your Plan.

This section describes the tax position as Alico Wealth Management currently understands it but we assume no responsibility for its accuracy and the tax position may change in the future. We recommend that you discuss your own tax position with your financial adviser.

Can I make changes to my underlying investments?

- You can switch between Market Funds free of charge. The minimum switch amount is £500, and you must leave at least £500 in each Market Fund if you are to remain invested in those funds.
- You can switch into a Defined Return Investment free of charge. The minimum switch amount is £5,000.
- The Defined Return Investments are designed to be held until the end of their investment period, but it is possible to switch out of these if you need to. Should you wish to exit from a Defined Return Investment before the end of its investment period, you will need to switch out your entire holding. In this instance, we will take into account the market value of the assets we hold to provide the returns and this may be lower than the amount you invested in the Defined Return Investment.

How can I keep track of my Advantage Investment Plan?

Every six months, we will send you and your financial adviser a statement summarising the Plan's value and any activity over the previous six months. You may also request this information from us at any time, free of charge. Our contact details are below.

Where can I find further details?

You can find further details about the Advantage Investment Plan and the range of investments in the Core Policy Conditions, Specific Policy Conditions – Advantage Investment Plan, Select Investment Range, Select Investment List and Asset Rules documents. You can get these from your financial adviser or from our website at www.alicowm.co.uk.

Alternatively, please feel free to contact us using the details below.

How to contact us?

Your financial adviser will normally be your first point of contact and will be able to answer most questions that you have. However, please feel free to contact us using the following details:

Post: Alico Wealth Management
22 Addiscombe Road
Croydon CR9 5AZ

Telephone: 0800 013 2272
Fax: 0845 196 0023
E-mail: investments@alico.com
Website: www.alicowm.co.uk

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Other Information

How to complain

Most problems and misunderstandings can be dealt with immediately by a member of our Customer Service Department. They will be pleased to help you. You can contact them using the details above.

If you need confirmation of our complaints procedure, a copy of our Customer Care leaflet is available from our Compliance Officer.

If you have a complaint, please contact the Compliance Officer by phoning 0208 680 6000 or writing to:

The Compliance Officer
Alico Wealth Management
22 Addiscombe Road
Croydon CR9 5AZ.

Law

English law will apply to the Advantage Investment Plan.

Protection

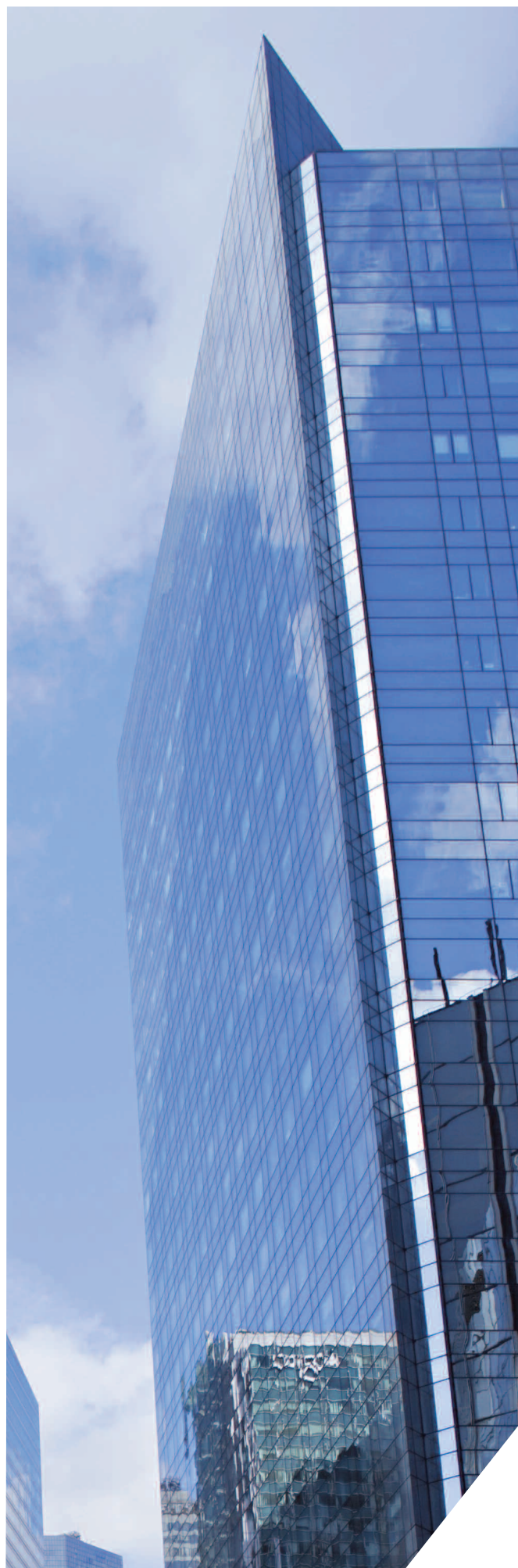
Alico (UK Branch) is authorised and regulated by the Financial Services Authority, with all associated safeguards and protections.

We classify you as a 'retail client' under Financial Services Authority rules. This means you'll receive the highest level of regulatory protection available for complaints and compensation and receive information in a straightforward way.

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations the owner of the plan may be entitled to compensation under the scheme. For the products available through the Select Portfolio, the scheme covers 90% of any claim.

For further details on the Financial Services Compensation Scheme, please visit www.fscs.org.uk or phone 0207 892 7300. Alternatively, you can contact the Financial Services Authority by visiting their website at www.fsa.gov.uk or phoning 0207 066 1000.

Note that for life assurance, the FSCS's first responsibility is to seek continuity of cover rather than to pay compensation.



Wealth Management

Morningstar Associates Europe Ltd, a wholly owned subsidiary of Morningstar Associates, LLC, is authorised and regulated in the UK by the Financial Services Authority. Morningstar Associates, LLC, a wholly owned subsidiary of Morningstar, Inc., is an investment adviser registered with the United States Securities and Exchange Commission. The Morningstar Associates Europe services as described herein are provided to American Life Insurance Company, UK Branch; the services are not designed nor intended to be considered individualised investment advice. Morningstar and its family of companies are not affiliated with Alico Wealth Management. The Morningstar name and logo are registered marks of Morningstar, Inc.

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