



MetLife Wealth Management Fair Value Assessment

This document sets out the outcomes of MetLife's Fair Value Assessment of its legacy Wealth Management products i.e., those that are no longer available for new customers to take out a policy. It is designed to provide intermediaries with the information they need to understand the outcome of our Fair Value Assessment. We have carried out these assessments in accordance with the Financial Conduct Authority 'FCA' Product Oversight & Governance 'PROD' rules, effective 1st October 2021 and to fulfil our Principles for Business responsibilities (PRIN 2A.4.15 R) under Consumer Duty.

The MetLife Wealth Management products offer a range of unit linked guarantee options over various tax wrappers including Personal Pensions, Onshore Investment Bonds and Individual Savings Accounts provided by MetLife UK Limited, and the Offshore Investment Bond products provided by MetLife Europe d.a.c.

Fair Value Assessment

This section sets out what benefits are provided under the products and the outcome of our fair value assessment.

What benefits are provided.

Secure Income Option

The aim of the Secure Income Option is to provide a minimum guaranteed level of income for life. The guaranteed level of income for life has the potential to increase through:

- lock-ins of positive investment performance above the existing guarantee level
- guaranteed Income Deferral increases, applicable where customers choose to delay taking their income.

The Secure Income Option also provides a guaranteed death benefit. This ensures that a customer who passes away whilst invested in the option will have benefited from payments out during the period they were invested in it of no less than their original investment in the Secure Income Option.

Secure Capital Option

The aim of the Secure Capital Option is to provide a guaranteed capital amount at the end of the selected term or when a death claim is paid. The Secure Capital Option protects customers from stock market falls at the points in time when the guarantee is payable, whilst at the same time providing the potential to increase the guaranteed amount payable through lock-ins of positive investment performance above the existing guarantee level.

Non-guaranteed products

The products provide the potential to invest in a small range of investment funds providing exposure to passive and actively managed funds.

All investment funds are mirror funds, with customer money invested in underlying funds managed by established third party investment managers.

What the customer pays.

The charges paid are based on the product version, the type of guarantee, the size of the customers investment, the underlying investment option, and the amount the customer has elected to pay to their financial adviser through the product. The type of charges can be broken down as follows:

- **Management Charge**

This is applied by us for managing the product and a percentage is deducted monthly by cancelling units. For a small number of Investment Bonds and Trustee Investment Plans sold between 2007 and 2009 the management charge is applied by reducing the price of each unit in the investment fund. The level of charge will depend upon the value of the investment at the time the charge is taken.

- **Guarantee Charge (Secure Income Option and Secure Capital Option)**

This charge covers the economic cost of MetLife providing the guarantee of the Secure Income Option or Secure Capital Option. This charge is taken monthly by cancelling units. The charge is a percentage set at outset that is applied to the guarantee base. For a small number of Investment Bonds and Trustee Investment Plans sold between 2007 and 2009 the management charge was applied by reducing the price of each unit in the investment fund.

- **Fund Manager Charge**

Each fund in which you invest carries a fund manager's charge. This charge is in respect of buying, selling, owning and ongoing maintenance of the investment assets and will be applied by reducing the price of each unit in the investment fund.

- **Financial Adviser Remuneration**

Remuneration can be facilitated from the product by payment of a commission, or adviser charges. These are normally paid by cancellation of units from the policy. Levels of adviser charging can be reduced or ceased on request from the customer or financial adviser.

Outcome of fair value assessment

All products

We have concluded that all products have delivered fair value for all customers, including those who are vulnerable and orphaned, and will continue to do so in the foreseeable future.

The fair value assessment identified that:

- Products perform in line with reasonable expectations set in product literature.
- Products meet the general needs of the target market.
- We communicate clearly with customers providing them with the information they need to understand how their policy is performing on an ongoing basis.
- The charges customers pay are fair in relation to the benefits, including pre-RDR commissions.
- Investment funds have performed in line with their mandates, and as described in customer communications.
- We meet customers reasonable expectations in relation to the service levels we provide.
- Customers can complain, and their complaints are handled promptly and fairly.
- We have processes in place to support vulnerable customers and to identify and find "gone away" customers.

In carrying out the fair value assessment we've identified two actions to further strengthen outcomes for customers:

1. Some customers investing in our Secure Income Option through Active Asset allocation are paying different levels of guarantee charges depending on the maximum equity exposure chosen at plan outset. No customer detriment has been identified noting the higher charge level is commensurate with the additional risk exposure elected by these customers. However, as customers become more heavily invested in bonds, the likelihood of utilising a greater level of equity exposure reduces, we will therefore implement a unified charge level, aligning all customers to the lower charge level.
2. Perform additional communications or enhancements to existing communications to customers and financial advisers to support them in assessing and ensuring that the products continue to meet their changing needs. The communications enhancements will pay particular focus to key moments through the product lifecycle; for instance, if electing tax-free cash option and on partial or full surrender to make it even clearer the guarantees the customer will be giving up.

Product Oversight & Governance

Ongoing monitoring and annual product reviews

Customer Outcomes form part of a quarterly review at an Executive level.

On an annual basis we undertake a fair value assessment which will be published on our website.

We may ask for information from our distribution partners to help support our fair value assessments.

Personal Pensions, Onshore Investment Bonds and Individual Savings Accounts

Products and services are offered by MetLife UK Limited which is an affiliate of MetLife, Inc. and operates under the “MetLife” brand.

MetLife UK Limited is a private company limited by shares, registered in England and Wales under company number 13992711. Registered office at Invicta House, Trafalgar Place, Brighton BN1 4FR, England. MetLife UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

International Bonds

Products and services are offered by MetLife Europe d.a.c. which is an affiliate of MetLife, Inc. and operates under the “MetLife” brand.

MetLife Europe d.a.c. is a private company limited by shares and registered in Ireland under company number 415123 and VAT number IE 6435123T. Registered office at 20 on Hatch, Lower Hatch Street, Dublin 2, Ireland. MetLife Europe d.a.c. (trading as MetLife) is authorised by the Central Bank of Ireland.