

BESPOKE ASSET ENDORSEMENT

FOR THE FOLLOWING PRODUCTS

Executive Investment Account (Ref SO1, SO1Aug2012)

Executive Investment Plan (Ref EIK4, EIK5)

Executive Investment Bond (Ref EIB1, EIB2, EIB3)

Executive Investment Bond (Ref EIB4)

Which Started Before 29 January 2019

Executive Investment Bond (Ref EIK1, EIK2, EIK3, EIK4)

Executive Investment Portfolio (REF EIP1, EIP2)

Which Started Before 14 October 2019

Executive Redemption Bond (Ref ERB1, ERB2, ERB3)

Executive Redemption Bond (Ref ERB4)

Which Started Before 13 May 2019

Executive Redemption Bond PRIIPs (Ref ERB4v2)

Which Started Before 13 May 2019

Life Insurance Portfolio (Ref LIP2, LP13)

Silk Life Plan (Ref LIG1, LIG2)

Wealth Management Plan (Ref WMAK1 - Tier 2 only)



This document was last updated in July 2024.
Please confirm with your financial adviser that this
is the most up-to-date document for your Policy or
servicing needs.

A WEALTH *of* DIFFERENCE

www.utmostinternational.com

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Utmost Wealth Solutions is registered in the Isle of Man as a business name of Utmost International Isle of Man Limited.

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This endorsement updates your Utmost International Isle of Man Limited (Utmost International) Policy to include Bespoke Assets as an Asset in the Portfolio Fund. The words Policyholder and Policy are referred to in certain Term's documents as Accountholder and Account.

This Endorsement supplements your Terms and Conditions for your Policy. Please keep this Endorsement with your Policy documents.

1. THE FOLLOWING DEFINITIONS ARE ADDED TO THE DICTIONARY/ DEFINITION SECTION OF THE TERMS:

- 1.1 **Acceptable Asset** - An Asset which has been accepted by us in accordance with the process described in Term 2 of this Bespoke Asset Endorsement and is one which fits into the types of Acceptable Assets set out in Term 2 of this Bespoke Asset Endorsement.
- 1.2 **Assets** - The range of Assets which can be included within the Portfolio Fund and which are either Acceptable Assets or Bespoke Assets.
- 1.3 **Bespoke Asset** - An Asset which is not an Acceptable Asset and which falls under the process described in Term 3 of this Bespoke Asset Endorsement.

2. WHERE THE POLICY TERMS DESCRIBE THE TYPES OF ASSETS WHICH CAN BE INCLUDED IN THE PORTFOLIO FUND, THIS SECTION IS EXPANDED ON WITH THE FOLLOWING:

- 2.1 A range of Assets can be included within the Portfolio Fund. All such Assets must have been accepted by us, which means that we have decided that we are prepared to acquire and hold them. We have an absolute discretion whether or not to accept an asset. Any acceptance of an Asset by us is not an endorsement of that Asset by us, nor should it be construed as an endorsement by us.
- 2.2 Acceptable Assets.
- 2.3 We maintain a list of Asset types which can be considered for the Policy. This is known as the list of Acceptable Asset types. Once we have considered that an Asset of a type listed on the list of Acceptable Asset types is acceptable to us, the Asset is known as an Acceptable Asset. If an asset is not an Acceptable Asset, it can still be agreed by us for inclusion within the Portfolio Fund as a Bespoke Asset in accordance with Term 3. The list of Acceptable Asset types is updated by us from time to time.
- 2.4 The fact that we have accepted an Asset as an Acceptable Asset or that an Asset type appears on the list of Acceptable Asset types does not mean we have endorsed that Asset or Asset type as being suitable or appropriate for any purpose or otherwise endorsed it. You, your Fund Adviser or a Discretionary Asset Manager have sole responsibility for deciding whether an Acceptable Asset or Asset type is suitable and/or appropriate to your needs and circumstances.

2.5 If an Asset was an Acceptable Asset when it was acquired, but is then removed by us from the Portfolio Fund for any reason, that acquired Asset will cease to be an Acceptable Asset from the moment it is removed.

2.6 You, your Fund Adviser or a Discretionary Asset Manager may request that we include an Asset of a type listed on the Acceptable Asset types list within the Portfolio Fund. As to the asset acceptance process:

- a. The carrying out of an asset acceptance process (whether on request or otherwise) is solely for us to satisfy ourselves that the proposed asset is acceptable for Isle of Man regulatory purposes and for our own administrative requirements. The asset acceptance process has no other purpose and does not amount to an endorsement of the asset.
- b. Where a request is made for an asset to become an Acceptable Asset, we will try and complete the asset acceptance process within two Working Days of that request, although the process can sometimes take much longer. If the process is taking longer than two Working Days, we will endeavour to inform you, your Fund Adviser or the Discretionary Asset Manager of the anticipated timescale for its completion.
- c. If the asset you have requested to become an Acceptable Asset is your first Asset choice then an amount equal to the relevant proportion of the Allocation Percentage will be retained in the Transaction Account held with us until completion of the asset acceptance process.
- d. If you, your Fund Adviser or a Discretionary Asset Manager, request a sale of an Asset to purchase another asset which requires the asset acceptance process, then we will carry out the sale at the next dealing time administratively available to us following receipt of your dealing instruction unless you advise us to the contrary. We will then hold any sale proceeds in the Transaction Account held with us until completion of the asset acceptance process.
- e. If the asset acceptance process identifies that the asset is not acceptable to us then we will inform you, your Fund Adviser or a Discretionary Asset Manager of that and you, your Fund Adviser or the Discretionary Asset Manager should then give us alternative instructions.
- f. Whether an asset is or is not accepted as a result of an asset acceptance process is a matter entirely at our discretion and we are not required to provide you, your Fund Adviser or the Discretionary Asset Manager with any reasons for our decision.
- g. We accept no liability (except that arising from our fraud) for any economic or other loss occasioned or caused by our exercising our right to only accept Acceptable Assets and/or to undertake the asset acceptance process.

3. BESPOKE ASSETS

Information technology failure and force majeure

- 3.1 If an asset is not an Acceptable Asset, it can still be agreed by us for inclusion within the Portfolio Fund as a Bespoke Asset.
- 3.2 Bespoke Assets do not appear on the list of Acceptable Asset types.
- 3.3 A Bespoke Asset must meet all conditions of applicable Isle of Man regulations for linked life assurance or capital redemption assets and for our own administrative requirements. We have an absolute discretion whether to accept an asset as a Bespoke Asset.
- 3.4 The fact that we have agreed an Asset as a Bespoke Asset does not mean we have endorsed that Asset as being suitable or appropriate for any purpose. You, your Fund Adviser or a Discretionary Asset Manager have sole responsibility for deciding whether a Bespoke Asset is suitable and/or appropriate for your needs and circumstances.
- 3.5 A request for us to accept a Bespoke Asset can only be made using our Bespoke Asset Acceptance Procedure. As to that procedure:
- a. Our acceptance of a Bespoke Asset will be made on a case by case basis and is subject to our absolute discretion.
 - b. Our acceptance of a specific asset as a Bespoke Asset will not set a precedent for the subsequent acceptance of similar or identical assets.
 - c. We do not need to give any reason for either accepting or rejecting an asset as a Bespoke Asset.
 - d. If you, your Fund Adviser or Discretionary Asset Manager make a request that we accept an asset as a Bespoke Asset, the process for us to determine such a request can be lengthy. We will endeavour to update you as to when we anticipate reaching our decision.
 - e. We accept no liability (except that arising from our fraud) for economic or other loss occasioned or caused by our exercising our right to refuse to accept an asset and/or to undertake the Bespoke Asset Acceptance Procedure.
- 3.6 If we decide that we are willing to accept an asset as a Bespoke Asset, such acceptance by us will be subject to whatever terms and conditions we, in our absolute discretion, decide.
- 3.7 The terms and conditions we propose will be set out to you in writing. Our acceptance of an asset as a Bespoke Asset will not be offered on any other basis or understanding. As such, any terms and conditions not expressly set out in writing by us will have no effect.
- 3.8 You can decide whether to accept or reject the terms and conditions we propose in respect of any asset we are willing to accept as a Bespoke Asset.
- 3.9 If you decide to accept the proposed terms and conditions, such acceptance will only be effective if it is communicated to us in writing and without any conditions.
- 3.10 If you accept the terms and conditions we have offered in respect of a proposed Bespoke Asset, those terms and conditions will take precedence over these terms where any conflict arises.
- 3.11 Except where express contrary provisions exist in the individually agreed terms and conditions relating to a specific Bespoke Asset, the following provisions apply to all Bespoke Assets:
- a. As owner of the Bespoke Asset, we may exercise any rights and powers, including those relating to liquidation of the Bespoke Asset, where appropriate with or without reference to you or anybody else and at our absolute discretion. For example, where the Bespoke Asset is private company shares, we may exercise shareholder rights and powers as we consider appropriate.
 - b. We are not liable to you for any loss, damage or expense caused by or arising from or in connection with how we exercise our rights and powers as the owner of a Bespoke Asset.
 - c. In addition to the circumstances described in Term 3.11, we may for whatever reason we deem appropriate, dissolve, wind-up or otherwise remove a Bespoke Asset from the Portfolio Fund. For example, we may choose to do this where we consider it to be uneconomic to hold a Bespoke Asset as part of the Portfolio Fund, where there is a change in regulation or law which would mean we are no longer able to hold such an Asset or where there is a risk of our holding limits being breached. These examples are illustrative and not exhaustive.
4. WHERE THE TERMS INCLUDE A REMOVAL OF ASSET, THIS SECTION IS EXPANDED ON WITH THE FOLLOWING, IN ALL OTHER SITUATIONS THE FOLLOWING WORDING IS ADDED TO THE TERMS:
- #### Removal of an Asset
- 4.1 We have the right to dispose of any Asset if we have reasonable belief that it is no longer a suitable Asset for a life assurance or capital redemption policy or if it ceases to be an Acceptable Asset. In the circumstances where such an Asset is a Bespoke Asset, we may exercise, at our absolute discretion, the relevant rights and powers vested in us as owner of the Asset, to liquidate, wind up or otherwise dissolve the Asset on whatever terms we decide in order to remove the Asset from the Portfolio Fund and all associated costs of such action will be debited from the Transaction Account.

5. WHERE THE TERMS REFER TO INVESTMENT RISKS, THIS SECTION IS EXPANDED ON WITH THE FOLLOWING:

5.1 Due to the wide variety of Assets which can be chosen, this section cannot detail all the risks. You should ensure you fully understand and accept all the potential risk exposures. This section is designed to give you information on some of the risk exposures.

5.2 All financial products including cash carry a degree of risk. Even low risk investment strategies involve an element of uncertainty. The types of risk that might apply will depend on various matters, including how any relevant Asset is created, the type of Asset, policy, the location or domicile of the Asset provider, the diversification of the Assets (including the amount invested in any one currency, security, country or Asset provider) and the use of borrowing.

5.2.1 Different Assets involve different levels of risk exposure. The value of stocks, shares, investment funds and Bespoke Assets can fall as well as rise and they, as well as Bank Deposits and any balance in the Transaction Account held with us, could in exceptional circumstances become valueless either permanently or temporarily if they are illiquid or suspended or if the banks holding cash in Bank Deposits or the Transaction Account become insolvent. In the event of the insolvency of the Authorised Custodian, any cash held by them may be at risk.

Should any third party holding cash or Assets linked to your Policy (including Assets or cash in respect of buy or sell instructions where cleared funds have not been credited to our bank account) become insolvent, we will attempt to recoup such money or Assets. However, if that third party cannot repay, a debit to reflect any shortfall will be made against your Policy.

5.2.2 Shares are generally a volatile Asset class - their value can go up and down more quickly than other classes. If a company goes into liquidation, its shareholders rank behind the company's creditors in relation to the realisation and distribution of the company's assets.

5.2.3 Bespoke Assets can be more volatile than Acceptable Assets and can carry significant additional risks. We reserve the right to require additional assurances from the Policyholder that they have fully understood and accept the risks of investing in a Bespoke Asset.

5.2.4 Risk factors may occur simultaneously and may compound each other, resulting in an unpredictable effect on the value of any Asset. The value of Assets and the income from them can fall as well as rise and you might lose the original amount invested. Fluctuations in such value and income can be caused by factors such as market movements and variations in exchange rates. Past performance is not a reliable indicator of future results.

5.3 You, your Fund Adviser or the Discretionary Asset Manager decide the investment objectives and risk profile of the Portfolio Fund. You are responsible for ensuring that the Assets are suitable for your circumstances. You understand and accept the risks associated with the Assets that you, your Fund Adviser or the Discretionary Asset Manager choose. We do not give investment advice. We accept no responsibility for the investment performance of an Asset. The fact that we may allow or refuse a particular External Fund, Bank Deposit, stock, share or Bespoke Asset as an Asset does not indicate any judgement by us about its investment potential or the propriety of the provider of the Asset.

5.4 By asking us to include an Asset in your Portfolio Fund, you, your Fund Adviser or the Discretionary Asset Manager are agreeing to accept the risk that, for any reason, the Assets may not be managed in line with its objectives and limits. This includes negligent and fraudulent activity. Also, you, your Fund Adviser or the Discretionary Asset Manager accept any risk related to any change to the Asset's investment objectives and limits. You are responsible for monitoring the Assets. We are not responsible for managing the Assets you have chosen in your Portfolio Fund other than carrying out a treasury function in respect of the Transaction Account(s) held with us. The manager of the Asset is responsible for managing the Asset, including appointing and supervising any administrator and for complying with the stated investment objectives. We have no control over the manager's actions or omissions and we will not monitor the manager or accept any responsibility for making sure that the Asset is properly managed. Similarly, the provider of an External Fund controls the investment policy of that External Fund, as does the provider of a Bank Deposit.

6. WHERE THE TERMS REFER TO HOW ASSETS ARE BOUGHT THIS TERM IS EXPANDED ON WITH THE FOLLOWING:

- 6.1 All costs involved, including third-party and professional costs incurred relating to the acquiring of an Acceptable Asset or Bespoke Asset will be applied to the Transaction Account.
- 6.2 There may be a delay acquiring a Bespoke Asset, due to the nature of the Asset, for example they may not be liquid, and in some cases it may not be possible to execute the instruction. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of the transaction in such circumstances.

7. WHERE THE TERMS REFER TO HOW ASSETS CAN BE CHANGED, THIS TERM IS EXPANDED ON WITH THE FOLLOWING:

- 7.1 There may be a delay acquiring and disposing of Bespoke Assets, due to the nature of the Assets. For example, they may not be liquidated immediately, and in some cases it may not be possible to execute the instruction. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of the transaction in such circumstances.

8. WHERE THE TERMS REFER TO HOW THE PORTFOLIO FUND IS VALUED, THIS TERM IS EXPANDED ON WITH THE FOLLOWING:

- 8.1 We will calculate the value of the Assets on the Quarterly Date using the latest published prices available to us for those Assets. We may use independently sourced prices for this.
 - a. For External Funds and Stocks and Shares, we will use the latest selling price.
 - b. For Bespoke Assets, a valuation method will be agreed before we accept the Asset. This will be set out in the terms and conditions we will stipulate as the basis upon which we are prepared to accept an asset as a Bespoke Asset. This may involve engaging a suitably qualified professional to provide the value of the underlying Assets or we may use the most recent valuation or price available to us.
 - c. We will not be responsible for any losses arising as a result of someone else pricing an Asset incorrectly.
 - d. For Bank Deposits, we will use the latest deposit value without allowance for any interest which has not accrued.

- 8.2 On the Final Valuation Date or Final Plan Valuation Date, we will calculate the final value of each Asset less any costs involved.

- 8.3 We will add to those values any credit balance in the Transaction Account held with us, including any Asset rebates we agree to share with you.

- 8.4 We will deduct from that value:

- a. any Portfolio Fund Charge which applies for the Valuation Period; and
- b. any Third-Party Agent Charge or other charges which have been debited to the Transaction Account held with us during the Valuation Period;
- c. any third-party costs incurred for the ongoing administration of Bespoke Assets, such as legal fees, service provider charges and company registration fees;
- d. such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of Bespoke Assets. These may include our administration costs and any relevant taxes payable in relation to these Assets;
- e. any debit balance in the Transaction Account held with us in addition to those mentioned in Term 8.4 (b) above; and
- f. any actual or prospective taxes, levy or other charge against the Assets or income of the Portfolio Fund for the Valuation Period, including any value added tax (VAT) for services. The share of any such tax, levy or charge debited to the Portfolio Fund will be proportionate.

- 8.5 We will then divide the calculated value by the number of Allocated Units, rounding the result up to two decimal places to arrive at the price of the Allocated Units for your Portfolio Fund.

9. WHERE THE POLICY TERMS REFER TO THIRD-PARTY AGENT CHARGES, THIS TERM IS EXPANDED ON WITH THE FOLLOWING:

9.1 There are various third-party charges related to the Policy. These charges will be debited to the Transaction Account held with us or debited by an Authorised Custodian and debited to the Portfolio Fund at each Valuation Date unless debited earlier.

9.2 As examples, these charges may include:

- a. safe custody charges imposed by our Default Custodian, or an Authorised Custodian.
- b. the charges for the services of the Dealing Desk in conjunction with the Authorised Custodian facility.
- c. currency conversion charges for payment of any benefit in a currency other than the Policy Currency.
- d. currency conversion charges to purchase any Assets in a different currency.
- e. remittance charges to pay benefits by a method requested by you.
- f. any third-party costs incurred for the purchase, valuation, advice and ongoing administration of Bespoke Assets, such as due diligence costs, professional valuation costs, service provider charges, company registration fees, specialist advice relating to the purchase, holding or disposal of the Asset and legal fees.
- g. such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of Bespoke Assets. These may include our administration costs and any relevant taxes payable or legal costs in relation to these Assets.

9.3 These examples are illustrative and not exhaustive and we have no control over the number of such charges or their amount. As a result, they may increase, reduce, stop, or be introduced without notice to you or us.