

ESTATE PLANNING BOND SNAPSHOT

ESTATE PLANNING BOND OVERVIEW

Bond structure: The Estate Planning Bond is an international, single premium, capital redemption portfolio bond packaged with a discounted gift trust. It can be held by single or joint investors who are married or in a registered civil partnership. The product is designed to help mitigate a potential UK Inheritance Tax (IHT) liability and to provide an 'income' to the settlor in the form of capital withdrawals.

Once established, the bond cannot be surrendered, assigned or the 'income' payments amended or stopped during the lifetime of the settlor.

Principal application: The bond terms enable the settlor to 'carve out' rights to an 'income' from the bond in the form of fixed regular withdrawals before settling it into trust for their beneficiaries. These rights, known as the 'Grantee's Fund' are valued and constitute an immediate reduction in the value of the settlor's estate for IHT purposes (the discount). The remaining amount of the premium is the 'Residuary Fund' and is treated as a gift for IHT purposes.

The actual level of risk of the product and how the investment could perform depends on the choice of underlying funds.

This product does not include any protection from future market performance. Changes in tax legislation may affect how this product performs.

PRODUCT FEATURES

- › Helps mitigate a potential UK IHT liability.
- › Any investment growth in the trust will immediately be outside of the estate for IHT purposes.
- › Minimum investment of £50,000.
- › Up to 5% of the initial premium can be taken annually without any immediate income tax liability.
- › No requirement to report each year unless a surrender or assignment takes place which gives rise to a chargeable gain.
- › Underwriting is required to enable us to calculate more accurately the amount which falls outside the settlor's estate for IHT purposes.
- › Flexibility on the selection of beneficiaries as well as trust fund distribution after death.
- › Bond does not have to end on death and can be retained if the trustees permit.
- › When the trustees do choose to distribute the trust fund to the beneficiaries the bond is in trust so there is no requirement to wait for probate if the funds are required urgently.

KEY INFORMATION DOCUMENT

The Estate Planning Bond Key Information Document should be read before the bond is purchased. It provides key information on understanding the nature, risks, costs, potential gains and losses of the product and also helps with the comparison of other products. This document is available at www.utmostinternational.com

TARGET MARKET

	IN TARGET MARKET	NOT IN TARGET MARKET
INVESTOR TYPE	<ul style="list-style-type: none"> › Affluent individuals with £50,000 or more of liquid assets to invest. › Individuals who are UK resident and domiciled. › Individuals who are aged over 50 and in reasonable health. 	<ul style="list-style-type: none"> › Individuals who are non-domicile or are considering permanently leaving the UK. › Individuals who are under the age of 50 and have a normal life expectancy for their age. › Individuals who are aged 90 or over. › Corporates and trusts. › Eligible counterparties¹.
CLIENT OBJECTIVES AND NEEDS ²	<p>The Estate Planning Bond is suitable for clients who:</p> <ul style="list-style-type: none"> › Wish to reduce their potential UK Inheritance tax liability by making a gift into trust. › Are willing to give away their capital. › Want to retain a regular 'income' from their investment. › Are worried they may not survive seven years to make a standard gift trust or outright gift fall out of inheritance tax charge. › Wish to benefit from access to a range of external funds and cash deposits. › May wish to have their investment managed by an External Manager and/or Custodian. 	<p>The Estate Planning Bond is not suitable for clients who:</p> <ul style="list-style-type: none"> › Do not have a potential UK Inheritance Tax liability. › Require full access to their capital. › Do not require an 'income' from the product throughout their lifetime. › Seek to invest in investment types other than external funds and cash deposits.

CONTINUED OVERLEAF

¹ Directive 2014/65/EU (MiFID II).

² As part of their engagement with prospective clients, advisers should seek to understand from the client if they have any characteristics of vulnerability. The adviser should consider whether the product is suitable for the client based on their needs, objectives and characteristics before recommending the product to them.

TARGET MARKET (CONTINUED)

	IN TARGET MARKET	NOT IN TARGET MARKET
KNOWLEDGE AND/OR EXPERIENCE	<p>The client's knowledge and experience will fall into one of the following categories:</p> <ol style="list-style-type: none"> 1. Basic investor; or 2. Informed investor; or 3. Advanced investor. <p>This product is made available to all three types of investors as it is sold on an advised basis only.</p>	
	<p>1. Basic investor</p> <p>Basic investors having the following characteristics:</p> <ul style="list-style-type: none"> › Basic knowledge of relevant financial instruments (someone can make an informed investment decision based on the regulated and authorised offering documentation or with the help of basic information provided at point of sale). › No financial industry experience, i.e. suited to a first time investor. 	
	<p>2. Informed Investor</p> <p>Informed investors having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> › Average knowledge of relevant financial products (someone who can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only). › Some financial industry experience. 	
	<p>3. Advanced Investor</p> <p>Advanced investors having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> › Good knowledge of relevant financial products and transactions. › Financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service. 	
ABILITY TO BEAR LOSSES	Investors who are able and willing to take some risks.	Investors who are not able or willing to bear any loss of capital or need to limit losses to a specific level.
RISK TOLERANCE	Investors that have a risk tolerance within the range of 1-7 under the SRI classification used for PRIIPs.	

A WEALTH OF DIFFERENCE

About Utmost Group plc

Utmost Group plc is a leading provider of insurance and savings solutions. Its principal businesses are Utmost International and Utmost Life and Pensions, which together are responsible for approx. £64bn of primarily unit-linked policyholder assets for around 560,000 customers as at 31 December 2021. Utmost Group plc is subject to Group Supervision by the Bank of England's Prudential Regulatory Authority.

About Utmost International

Utmost International is a leading provider of insurance-based wealth solutions through its Utmost Wealth Solutions business, and provides employee benefits through its Utmost Corporate Solutions business. Utmost International operates across the UK, Europe, Latin America, Asia and the Middle East. Its solutions are based on unit-linked insurance policies. Utmost International manages £56bn assets under administration on behalf of 210,000 policyholders and wrote £4.8bn new business in 2021.

About Utmost Wealth Solutions

Utmost Wealth Solutions has a clear focus on being a leader in the creation of sophisticated wealth solutions for the international affluent, high-net-worth and ultra-high-net-worth market.

We have offices in the well-regulated jurisdictions of Ireland, the Isle of Man and Guernsey and provide insurance-based savings, investment and wealth planning solutions for UK, European and international clients. Our solutions are based on unit linked policies which are tax efficient and allow investment flexibility.

We strive to offer outstanding service and focused expertise to our clients and their advisers who are seeking intelligent and efficient ways to manage and pass on their wealth.

As at 31 December 2021, Utmost Wealth Solutions had c. £56bn in assets under administration and c. 210,000 customers.

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www.utmostinternational.com

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Utmost International Isle of Man Limited is registered in the Isle of Man under number 24916C. Registered Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Tel: +44 (0)1624 643 345. Licensed by the Isle of Man Financial Services Authority.

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