

FREQUENTLY ASKED QUESTIONS FOR INVESTORS CONSIDERING THE LIFESTYLE TRUST



To further help your understanding of the Lifestyle Trust it is important you read this document together with the **Lifestyle Trust Client Brochure**.

All references to Utmost Wealth Solutions mean Utmost International Isle of Man Limited or Utmost PanEurope dac.

The Lifestyle Trust is available for use with Utmost Wealth Solutions bonds including those formerly sold by Quilter International.

- 1. WHO IS THE SETTLOR OF THE TRUST?**
You, the individual who assigns (gifts) the bond into Trust.
- 2. CAN THE LIFESTYLE TRUST HAVE MORE THAN ONE SETTLOR?**
No, the Trust can only have one Settlor.
- 3. CAN A MARRIED COUPLE SET UP THEIR OWN TRUSTS?**
Yes, it is possible to have two Trusts. However, care should be taken that the Trust is not set up for the benefit of the other spouse, see Question 4.
- 4. CAN MY SPOUSE BE A BENEFICIARY UNDER THE TRUST?**
Your spouse can be a Beneficiary under the Trust. If any advancement is made to your spouse during your lifetime, it is crucial that you are not able to benefit directly or indirectly in any way. This is to ensure the 'gift with reservation' provisions are not triggered, see Question 7.
- 5. CAN I (AS SETTLOR) BE APPOINTED AS THE TRUSTEE?**
No, neither you nor your spouse or civil partner are permitted to be appointed as a Trustee on the Lifestyle Trust.
- 6. CAN A PROTECTOR BE APPOINTED?**
Yes, but neither you, nor your spouse or civil partner, are permitted to be appointed as a Protector on the Lifestyle Trust.
- 7. WHAT ARE THE 'GIFT WITH RESERVATION' PROVISIONS?**
In simple terms, if you can still benefit from a gift you made, any inheritance tax (IHT) mitigation in relation to this Trust will not work and the Trust fund will be considered within your estate on death.
- 8. CAN I TOP UP THE TRUST FUND?**
Adding further monies could have IHT consequences. You should speak to your adviser before considering adding any further monies to the Trust.
- 9. WHO ARE THE BENEFICIARIES OF THE TRUST?**
The Trust is a discretionary Trust, so it includes a wide class of Beneficiaries. You can specify in the Trust deed certain Beneficiaries or additional classes of Beneficiaries if they are not covered by the default list in the Trust deed. The Trustees then have discretion over which of the potential Beneficiaries receive benefits and when. You can give guidance to the Trustees using a 'letter of wishes'.
- 10. AM I GUARANTEED TO RECEIVE THE ENTITLEMENTS I HAVE SPECIFIED IN THE TRUST FUND?**
No, the Trustees can 'defeat your interest' at any time and allocate the entitlement to the Trust's Beneficiaries.
- 11. IS THE VALUE OF MY ENTITLEMENTS FIXED?**
No, the value of each Policy Fund will fluctuate. However, the number of individual Policies that make up each Policy Fund (chosen at outset) will remain the same.
- 12. WHAT HAPPENS TO MY ENTITLEMENT WHEN I DIE?**
Your entitlement is dependent on you being alive on the day you become entitled to the Policy Fund. Any future entitlement is therefore lost on your death. Any Policy Funds which have passed their entitlement date and remain invested in the Bond, i.e. they were not surrendered, are considered to be within your estate and included when assessing whether there is an IHT liability.
- 13. DO I HAVE ACCESS TO THE TRUST FUND IF NEEDED?**
You are only entitled to the pre-defined entitlements listed in the Second Schedule of the Lifestyle Trust deed. You are specifically excluded from benefiting from the Trust fund in any other way.
- 14. CAN I BRING AN ENTITLEMENT FORWARD?**
No, you can only defer entitlement prior to the pre-defined date.
- 15. HOW MANY POLICIES SHOULD I HAVE IN MY BOND?**
To ensure the flexibility of the Lifestyle Trust is maintained, it is suggested that the highest number of Policies possible is selected where the choice is available, subject to minimum premium values.
- 16. WILL THE BOND PROVIDER (FORMER QUILTER INTERNATIONAL OR UTMOST WEALTH SOLUTIONS) WRITE TO ME BEFORE I BECOME ENTITLED TO A POLICY FUND?**
No, we will not inform you that an entitlement date is due. The Trustees should retain records of the Policy Fund entitlements. If no action is taken, then once the entitlement date is reached the Policy Fund(s) will be held for you within the trust and will form part of your estate for inheritance tax purposes.

Please note where Utmost International Trustee Solutions are appointed as trustee, they will liaise with the settlor(s) prior to any Policy Fund reversion date(s). This will ensure Utmost International Trustee Solutions fully understand the requirements of the settlor(s) in respect of any upcoming Policy Fund reversions, i.e. whether these are requested to be deferred or taken, and will then balance any requests to take the reversion with any potential needs of the wider beneficiary class.

17. CAN I DEFER JUST PART OF THE POLICY FUND?

No, a Policy Fund can only be deferred in full. You may want to have multiple Policy Funds with the same entitlement date to increase flexibility.

18. CAN I HAVE MORE THAN ONE POLICY FUND IN ONE YEAR?

Yes, this can increase the flexibility further. If, for example, three Policy Funds are set for the same year, any number of these can be deferred before the entitlement date to reduce the entitlement if it is no longer required. If only one is set, the choice is to defer entirely or receive as planned.

For example:

- › Policy Fund A = 5 Policies with vesting date of 20/11/2028
- › Policy Fund B = 5 Policies with vesting date of 20/11/2028

- › Policy Fund C = 5 Policies with vesting date of 20/11/2028.

All of the Policy Funds vest on the same day. However, each Policy Fund could be deferred independently to reduce the number of Policies you become entitled to. So if Policy Fund C is deferred to a later date, only 10 Policies vest on 20/11/2028.

If a single Policy Fund held all 15 Policies, the choice would be to access all 15 or defer all 15.

19. CAN I PUT ONE OF MY FORMER QUILTER INTERNATIONAL OR CURRENT UTMOST BONDS INTO TRUST?

Yes, a former Quilter International Bond written on either a life assurance or capital redemption basis can be put in Trust. Where the Bond is written on a life assurance basis it must be held in your sole name and neither you, nor your spouse or civil partner, can be a life assured on the bond. An existing Utmost Wealth Solutions bond must be written on a capital redemption bond basis to be put in Trust.

TALK TO YOUR FINANCIAL ADVISER ABOUT THE LIFESTYLE TRUST

Your financial adviser will be able to explain further details regarding the Lifestyle Trust and whether a Trust is appropriate for your needs and which one is the most suitable.

TRUST REGISTRATION - IMPORTANT INFORMATION

Once the Trust is set up, it may need to be registered. Failure to do so could result in a fine.

Under the EU's fifth money laundering directive (5MLD), a trust may be required to register where it is deemed to be resident in a participating EU Member State or where the Trust has a 'business relationship' in that State. Note that whilst the UK has left the EU it has still adopted the Directive and thus, in this context, the UK still has Trust registration requirements. In all cases the requirement to register is generally driven by the residency of the Trustees and the settlor, and the location of the Trust's property or other business relationships.

Each country/EU Member State has its own rules regarding residency of a Trust. For example, where the Trustees and/or settlor are UK resident, the Trust will be deemed to be resident in the UK and is required to be registered with HMRC's Trust registration service within 90 days of the declaration of Trust. Where the bond forming the Trust property is issued by Utmost PanEurope dac then the Trust will also be required to register on the Irish register, the Central Register of Beneficial Ownership of Trusts.

For more information regarding Trust registration requirements please speak to your financial adviser.

Your investment may fall or rise in value and you may not get back what you put in.

This information is based on our interpretation of legislation as at 1 September 2023. While we believe this interpretation is correct, we cannot guarantee it. Tax relief and the tax treatment of investment funds may change in the future. The value of any tax relief will depend on the investor's financial circumstances.

We cannot accept responsibility for any losses or liabilities arising from actions taken as a result of the information contained in this document.

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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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Utmost PanEurope dac is a Category A Insurance Permit holder with the Jersey Financial Services Commission.

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