

TRANSFERRING OWNERSHIP



This document is only designed for Utmost Limited policyholders.

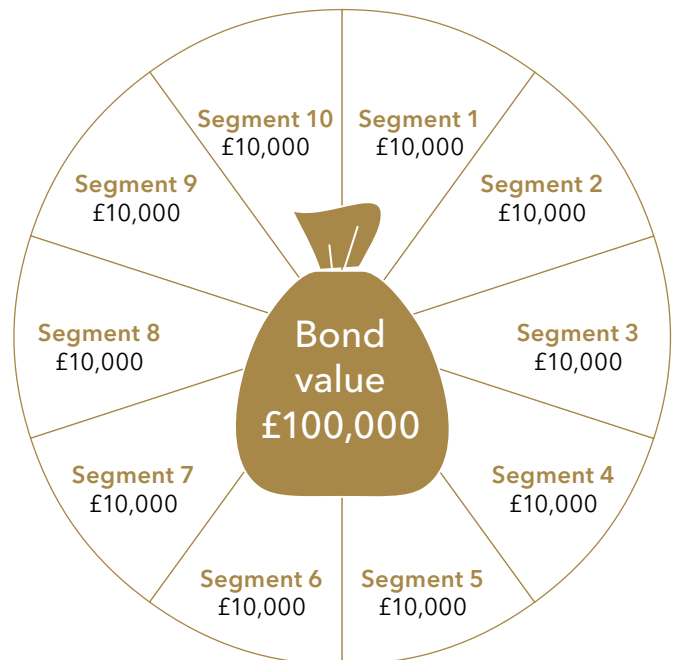
Should you wish to, you can, through a process called assignment, transfer ownership of all or part of your bond to someone else. This document looks at the different options you may have when assigning your bond or bond segments.

It is important that you discuss your financial needs and circumstances with a financial adviser, so that you can find out which option may be best for both you and the people you are assigning to, known as your assignee(s), before instructing any changes. Please note that no assignments can be made from an Estate Planning Bond or Discounted Gift Trust where the Settlor(s)/Donor(s) are still alive.

HOW IS MY BOND STRUCTURED?

To understand the options that may be available to you, it is important to understand how your bond is structured.

Your bond is made up of a series of identical segments. These segments each hold an equal share of your bond's value and an equal proportion of the underlying investments linked to your bond. For example, if the value of the bond is £100,000 and your bond is made up of 10 segments, each segment will have a value of £10,000 as shown in this diagram.



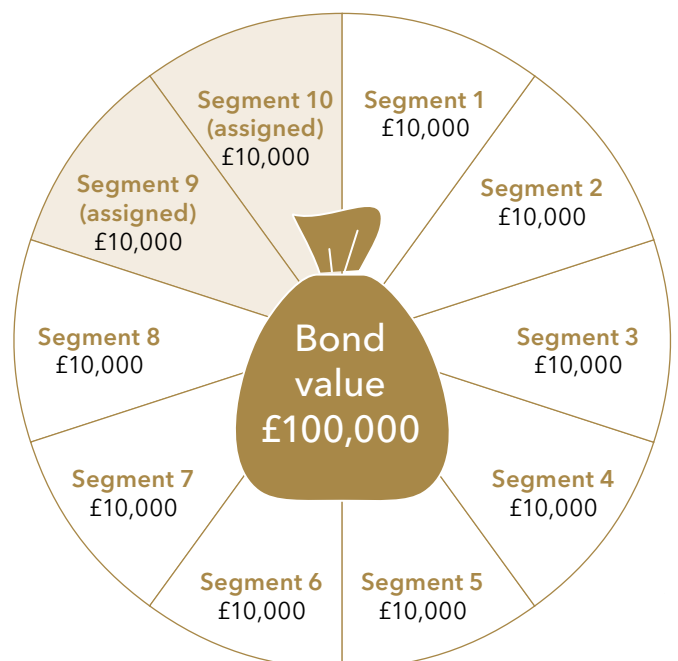
WHY IS MY BOND SPLIT INTO SEGMENTS?

Segments are there to give greater flexibility when taking money out of, or transferring ownership of, your bond. As each segment is a policy in its own right, it is possible to surrender one or more of your segments in full, keeping the rest of your bond intact.

Equally, you may wish to assign one or more segments to an assignee whilst retaining ownership of the others, as shown in the diagram.

An example of where the assignment of segments may be appropriate is where trustees on a bond held in trust are ready to distribute to its beneficiaries. The trustees may look to transfer ownership of specified proportions of the trust fund to each beneficiary by assigning them a proportion of the bond's segments.

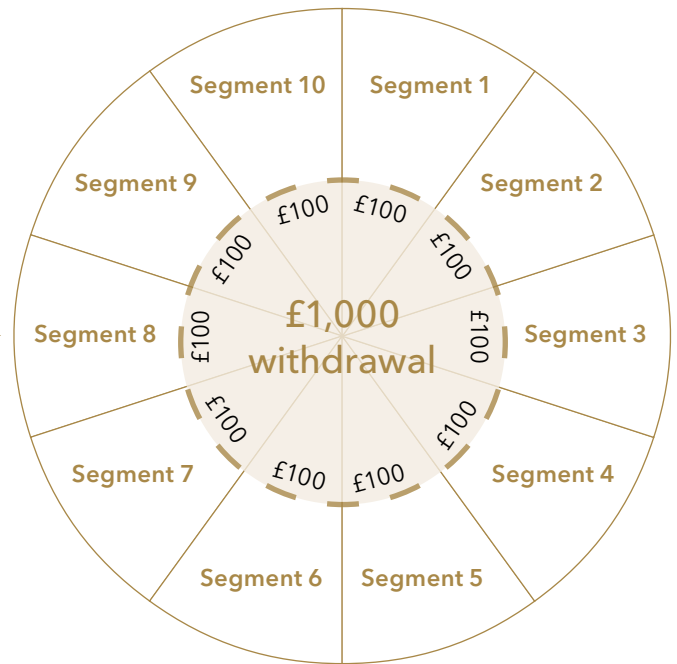
However, if the terms of the trust dictate that the proceeds should only be distributed once the beneficiaries reach the age of 21, for example, it may not be possible to fully distribute all the proceeds at once. In this scenario, the trustees would retain ownership of some segments whilst distributing others.



ASSIGNMENTS AND TAKING REGULAR WITHDRAWALS FROM MY BOND

It is possible to take either a regular or lump sum withdrawal from your bond. When taking a withdrawal, no segments are being surrendered meaning that these withdrawals are taken equally across all segments held within your bond as shown in the diagram.

This is important to keep in mind, when deciding which type of assignment best suits your needs, as future withdrawals will continue to be taken equally across all segments, including those that have been assigned.



It is important to understand that taking money from your bond is different from taking money from other financial products, such as a bank account. The method you choose to take money out of the bond will affect the way in which your money is taxed. For more information refer to our **Tax Information Client Guide**.

WHO CAN I ASSIGN OWNERSHIP TO?

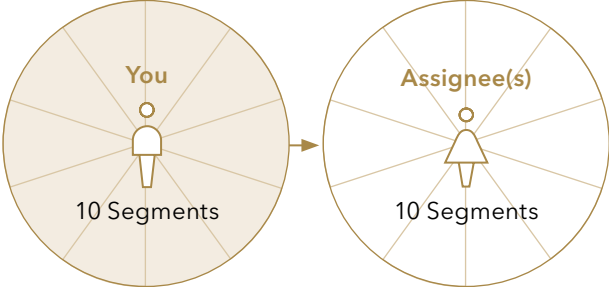
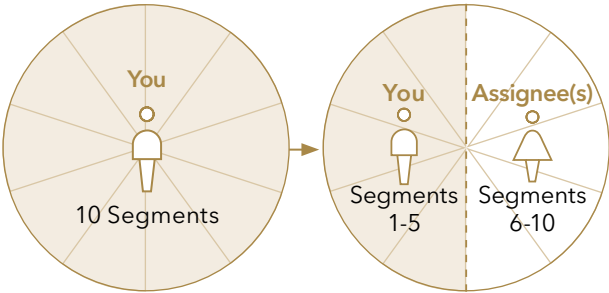
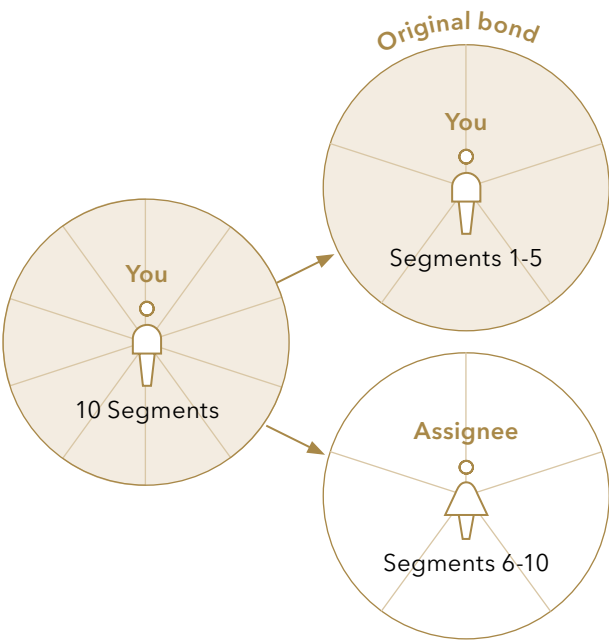
You can transfer the ownership of segments to an individual so long as they are over the age of 18. It is also possible for multiple individuals to own segment(s) jointly. Where segments are owned jointly, all owners must agree to and instruct any surrender of those segments.

It is also possible to place your segments into a trust, however this document focuses on the options available when transferring ownership to individual(s). If you would like more information regarding assignment into trust, contact our Customer Support team.




OPTIONS FOR ASSIGNING OWNERSHIP

There are three different options available: assigning ownership of the entire bond, assigning ownership of segments within the bond and assigning segments to form a separate bond (bond split).




Your financial adviser will be able to help you with any questions you may have about these options. It is important that you discuss your financial needs and circumstances with a financial adviser so that you can find out which option may be best for both you and your assignee(s), before instructing any changes.

<p>OPTION 1</p>	<p>ASSIGNING ENTIRE BOND</p>		<p>If you wish to transfer the ownership of your entire bond you can do this by assigning all segments.</p> <p>Where you assign to more than one assignee using this method, they will jointly own all segments.</p>
<p>OPTION 2</p>	<p>ASSIGNING SEGMENTS WITHIN THE BOND</p>		<p>This option may be suitable if you wish to transfer the ownership of some segments to an assignee and retain the rest. You can also use this option if you wish to transfer ownership to more than one assignee to own segments individually (within one bond), as opposed to jointly.</p> <p>It is important that all parties be aware that their personal data will be shared between the other segment owners as the segments will continue to form part of the same bond.</p> <p>Whilst this is suitable for many policyholders, it can be restrictive if any of the segment owners would like to invest into different funds or if regular withdrawals are required from the bond.</p>
<p>OPTION 3</p>	<p>ASSIGNING SEGMENTS TO FORM A SEPARATE BOND (BOND SPLIT)</p>		<p>The option of continuing to hold segments within one bond may not be suitable where the segment owners have different investment strategies or requirements when it comes to taking regular withdrawals.</p> <p>In this scenario the segment owners may consider holding their segments in separate bonds, allowing them to make decisions independently when it comes to investment strategy and withdrawals.</p> <p>It is important that segment owners are aware that each bond will be subject to its own quarterly administration charge, in addition to paying a proportionate amount of any other existing bond charges, in accordance with the product's terms and conditions.</p> <p>Separating the segments and any underlying linked assets can be complex and will take up to eight weeks to complete (however some investments may take longer). Whilst this process is taking place, any regular withdrawals or payments to your adviser would stop and backdated payments would recommence following completion, in accordance with the instruction received.</p> <p>This option is not designed for assignees that are considering fully surrendering their segments within 12 months of assignment.</p>

KEY DIFFERENCES BETWEEN THESE OPTIONS

	OPTION 1  ASSIGNING THE ENTIRE BOND (ALL SEGMENTS)	OPTION 2  ASSIGNING INDIVIDUAL SEGMENTS WITHIN THE BOND	OPTION 3  ASSIGNING SEGMENTS TO FORM A SEPARATE BOND (BOND SPLIT)
INVESTMENTS	The new policyholder(s) can make changes to the underlying investments. All policyholders must agree to the changes	All policyholders must agree to make any changes to underlying investments Where an External Manager is nominated, there must be a single investment mandate in place which is agreed directly between all policyholders and their nominated External Manager	Each bond is independent, meaning each policyholder can make changes to the underlying investments linked to their own bond
WITHDRAWALS	The new policyholder(s) can instruct to take regular or lump sum withdrawals from their bond. Where there is more than one policyholder, all policyholders must agree to the instruction	All policyholders must instruct to take any regular or lump sum withdrawals from the bond	As the bonds are independent, each policyholder can take lump sum or regular withdrawals from their own bond, not impacting the other bond(s)
SEGMENT SURRENDERS	The new policyholder(s) can instruct to surrender one or more of their segments. Where there is more than one policyholder, all policyholders must agree to the instructions	The owner of each segment can instruct to surrender their segment(s) individually, without instruction from those owning other segments within the bond	Each policyholder can instruct to surrender one or more of the segments within their own bond
FULL BOND SURRENDER	The new policyholder(s) may instruct to surrender the entire bond (i.e. all segments). Where there is more than one policyholder, all policyholders must agree to the instruction	All policyholders must instruct to surrender the bond in its entirety	Each policyholder can instruct to surrender their own bond. Due to the time taken to split the bond, it is not expected that policyholders would require full surrenders within 12 months of the assignment
BOND CHARGES	Bond charges will continue at their current rate following assignment*	Bond charges will continue at their current rate following assignment, debited equally across all segments*	Each bond will incur its own charges at the same rate as the original bond*
CORRESPONDENCE	The new policyholder(s) specify an address for correspondence	Only one address can be used for bond correspondence, all policyholders must agree which address this will be	Each bond will have its own correspondence address

*Changes to the underlying investments linked to the bond may impact the charges payable as different investments may have different charges; in addition there may be dealing charges payable for changing the investments linked to the bond.

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ADVISERS	The new policyholder(s) can choose to elect a financial or investment adviser to act on the bond. All policyholders must agree to the appointment of any firm	Only one financial adviser and one investment adviser may be elected to act on the bond. All policyholders must agree to the appointment of any firm	Each policyholder can choose to elect a separate financial adviser or investment adviser to act on their own bond
ADVICE CHARGES	The new policyholder(s) may choose to pay advice charges to their adviser from their bond. All policyholders must agree to charges for advice being taken	All policyholders must agree to any advice charges being paid to an adviser from the bond	Each policyholder may choose to pay advice charges to their adviser from their own bond
APPROXIMATE TIME TO COMPLETE	Five working days after receipt of all required documentation	Five working days after receipt of all required documentation	Six to eight weeks after receipt of all required documentation, however certain underlying investments may require longer**

**During this time any regular payments out of the bond, including any advice charges paid to your adviser, would stop. Where these are requested to continue, any missed payments would be backdated.

ARE ALL THREE OPTIONS AVAILABLE TO MY BOND?

No. Should your bond only have one active segment remaining, it will only be possible to assign the entire bond (option 1).

Your most recent Policy Schedule, or our Customer Support team, will be able to confirm the number of remaining segments on your bond.

There are some restrictions in place when assigning segments to form a separate bond (option 3). Where you believe this option is the most appropriate for you and your assignee(s), the following must apply:

- › The total value of the segments being assigned to form the new bond exceed £15,000
- › The total value of the segments being retained in the original bond exceed £15,000.

If one or more of your bond's underlying assets are suspended or illiquid, it is essential that you contact our Customer Support team to discuss the potential option of splitting this investment. If you are not sure whether such an asset is held, please contact our Customer Support team.

Where an External Manager and/or Custodian (EMC) is managing the investments linked to the value of your bond, it is also essential that the following checks be carried out:

- › The assignee has checked with the EMC that they are able to accept them as a new customer and any account opening documentation required by the EMC has been completed
- › The value of each bond post-assignment is within any minimum investment level set by the EMC (this may be greater than £15,000)
- › The EMC has confirmed that the assets held can be split and transferred to the new bond
- › The assignor and assignee have agreed with the EMC how any suspended or illiquid assets will be managed as part of the investment split.

Should the EMC be unable to facilitate a request to separate the investment, it may still be possible to proceed with this option by altering the investment holdings. Contact our Customer Support team who can discuss with you what options may be available.

IS THERE A COST FOR ASSIGNMENTS?

We do not currently charge for administering a change of ownership. Where you opt for a bond split (option 3), however, all owners must be aware that each bond is subject to its own quarterly administration charge, in addition to continuing to pay a proportionate amount of any other existing bond charges, in accordance with the product's terms and conditions.

DOES AN ASSIGNMENT CAUSE A POTENTIALLY TAXABLE EVENT?

An assignment by way of a gift will not cause a taxable event.

A "money or money's worth" transaction, where the assignor receives some other benefit (i.e. cash or assets) in return for the assignment of the segments, must be reported as a taxable event.



Note, it is important that any assignees understand how the segments they will receive will be taxed in the future. Further information can be found in the **Tax Information Client Guide** and they may wish to seek specific financial advice.

NEXT STEPS


It is important that you discuss your financial needs and circumstances with a financial adviser so that you can find out which option may be best for both you and your assignee(s), before instructing any changes.


HOW CAN I INSTRUCT AN ASSIGNMENT?


To make an assignment in line with any of the three options detailed in this document, you and your assignee(s) will need to complete the appropriate sections in the **Assignment of Policies Form** which can be found on our website at www.utmostinternational.com or from your financial adviser.

Identity and address verification is required for each assignee, this will also be required for you (the assignor) if you have not provided this to us previously. Examples of acceptable forms of identification and address verification can be found in our **Anti-Money Laundering and Source of Wealth Pack** which is also available from our website.

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A WEALTH *of* DIFFERENCE

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