

CASH PREFUNDING MAKING CASH MANAGEMENT EASIER

Cash Prefunding is an automated solution to assist with maintaining Utmost bond cash balances, where the policy is linked to an External Manager or Custodian (EMC), such as a discretionary fund manager or platform provider. Prefunding removes the need for individual standing orders, ad-hoc withdrawal requests, and yearly bulk updates.

This document explains the process for Utmost International Isle of Man Limited's Evolution and Estate Planning Bond and Utmost PanEurope dac's Selection, Delegation and Generation Planning Bond.

HOW DOES IT WORK?

Each Utmost bond has a Dealing Account from which regular cash deductions are made. These deductions differ between individual bonds. For example, some bonds may be paying regular withdrawals to the policyholder, or adviser charges to the linked financial adviser. Such charges may be added, removed, increased or decreased over the lifetime of the bond. Utmost's fees are also deducted from the Dealing Account, and these may differ depending on the product and charging structure of the bond. As such, there is an ongoing need to periodically withdraw monies from the nominated EMC account to fund these deductions.

The Cash Prefunding process means that Utmost will, at an agreed frequency, calculate and request an amount of cash for each bond based on its current deductions, in advance. For example, if the process is being run quarterly, Utmost will request a cash amount from each bond's linked EMC account to cover the deductions due over the coming quarter.

- › The EMC agrees a prefunding frequency with us. For example, they may decide that quarterly prefunding is the most effective frequency for raising and submitting cash to the bond's Dealing Account
- › Once the prefunding procedure has been agreed and implemented with the EMC, any new accounts opened with that EMC will automatically fall into the prefunding procedure. Specific requests from policyholders or advisers (for example, to hold a balance of cash in the bond's Dealing Account, or to set up a standing order) will be reviewed on a case-by-case basis.
- › Utmost provides the EMC with a consolidated withdrawal instruction for all accounts they hold with us giving details of:
 - Utmost bond reference
 - The EMC's individual account references
 - Value and currency of cash to be returned for the requested period
 - Utmost's bank account details
- › The EMC transfers the payments requested to Utmost's bank account (either through a single bulk payment or individual payments) and the payments are allocated to each bond's Dealing Account on receipt.

THE BENEFITS

- › The process takes into account the current cash balance held in each bond's Dealing Account, and current expected deductions (i.e. fees, charges and withdrawals). This ensures the funds requested from the EMC in each prefunding request are as accurate as possible. This differs to standing orders, which are set up at a point in time for a fixed cash amount, and may become insufficient when policy deductions increase or decrease.
- › The process can be run on a quarterly, half-yearly or annual basis.
- › As the prefunding process takes into account current cash balances and current estimated bond outflows, the likelihood of overdrawn balances occurring on policy Dealing Accounts is reduced.
- › Prefunding removes the need for the set-up and ongoing maintenance of individual standing orders, or for policyholders and advisers to request ad-hoc withdrawals from the EMC to replenish the Dealing Account.
- › Prefunding requests take percentage-based fees and charges into consideration
- › Option to provide bulk payments on fixed dates - we can accept bulk or individually designated payments, potentially reducing bank transfer fees levied on individual payments and reducing administration
- › Prefunding requests take into account all deductions taken from each bond's Dealing Account(s): adviser charging payments, policyholder withdrawals and bond charges.

After the process has been agreed and implemented, Utmost will send an instruction to the EMC detailing the withdrawals required from each external account. It then becomes the responsibility of the EMC to arrange for the requested amounts to be paid to Utmost. If any payments are not received, the unpaid amount will 'roll over' into the subsequent prefunding request. Debit interest is charged on negative balances held in Utmost Dealing Accounts. At this point it is then the responsibility of the EMC to arrange for the requested amount to be sent to Utmost.

NEXT STEPS

To find out more please contact us by:

✉ Emailing your contact details to **discretionary@utmostwealth.com** and we will contact you to arrange implementation.

☎ Alternatively, you can call to discuss this option with the EMC Back Office team **+44 (0) 2038 685 300**.

Telephone calls may be recorded.

A WEALTH *of* DIFFERENCE

www.utmostinternational.com

Utmost International Isle of Man Limited is registered in the Isle of Man, registered number 024916C. Registered Office address: King Edward Bay House, King Edward Road, Onchan, IM99 1NU, Isle of Man.

Utmost International Isle of Man Limited is licensed by the Isle of Man Financial Services Authority as an Authorised Insurer.

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

Utmost PanEurope dac is registered in Ireland, registered number 311420. Registered Office address: Navan Business Park, Athlumney, Navan, Co. Meath, C15 CCW8, Ireland.

Utmost PanEurope dac is regulated by the Central Bank of Ireland as a Life Insurance Undertaking. Utmost PanEurope dac is a Category A Insurance Permit holder with the Jersey Financial Services Commission.

Utmost Wealth Solutions is registered in Ireland as a business name of Utmost PanEurope dac.

AWI PR 0028 | 02/26