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 Q4.

4. **DOES THAT MEAN MY SPOUSE CANNOT BE A BENEFICIARY UNDER THE TRUST?**
   Your spouse can be a beneficiary. 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 Q5.

5. **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.

6. **CAN I TOP-UP THE TRUST FUND?**
   Yes, it is possible to do this, subject to Old Mutual Wealth or Old Mutual International’s acceptance. The top-up will be applied across all the separate policies which make up the bond that are in force at the time. For example, if your bond is split into 200 policies and you add a further £100,000, then £500 will be added to each of the 200 policies. This will apply to all individual policies regardless of whether they have passed the entitlement date or not.

7. **WHO ARE THE BENEFICIARIES UNDER 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’.
8. WHICH OLD MUTUAL GROUP COMPANIES OFFER BONDS THAT CAN BE USED WITH THE LIFESTYLE TRUST?

We have three companies that offer bonds which can be used with the Lifestyle trust:

- Old Mutual Wealth Life and Pensions, a UK resident company, offers the Collective Investment Bond which is a life assurance contract.
- Old Mutual International Isle of Man is an Isle of Man resident company that offers the International Portfolio Bond.
- Old Mutual International Ireland is an Irish resident company that offers, amongst other policies, the European Portfolio Bond which is a life assurance contract.

9. WHAT IS THE DIFFERENCE BETWEEN THE DIFFERENT BOND OFFERINGS?

The differences are complex and technical, but your financial adviser will be able to explain them to you. Depending on the product you choose, there may be different charges, product features and tax treatment.

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 predefined date.

15. HOW MANY POLICIES SHOULD I HAVE IN MY BOND?

Our UK bond dictates that there are 1,000 policies within the bond. However, our Isle of Man and Ireland bonds allow a choice to be made by the bondholder at application stage. 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 YOU WRITE TO ME BEFORE I BECOME ENTITLED TO A POLICY FUND?

No, as the policies continue to be invested within the bond, we will not inform you that an entitlement date has passed. The Trustees should retain records of Policy Fund entitlements.

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 20/11/2016
Policy Fund B = 5 policies with vesting date of 20/11/2016
Policy Fund C = 5 policies with vesting date of 20/11/2016.

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, 10 policies vest on 20/11/2016.

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 EXISTING BONDS INTO TRUST?

Yes, the existing bond must be held in your sole name and neither you nor your spouse should be a life assured on the bond.

Talk to your financial adviser about the Lifestyle Trust

Your financial adviser will be able to explain whether a trust is appropriate for your needs and which one is the most suitable.

For more information about trusts and their uses visit www.oldmutualinternational.com/trusts where you can watch a short video ‘Demystifying trusts’.

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

This information is based on Old Mutual Wealth’s interpretation of legislation as at January 2016. 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.

Old Mutual Wealth, Old Mutual International Isle of Man and Old Mutual International Ireland cannot accept responsibility for any losses or liabilities arising from actions taken as a result of the information contained in this document.