



The Oval group

Since Oval was established in October 2003 we have built a strong national business by acquiring, and integrating high quality regional brokers and financial advisory companies. To date 33 companies have joined the Oval group and we now have more than 1,200 employees across the UK supporting our clients.

Our success is based on delivering first class service, locally, to clients throughout the UK. So whilst we have a strong regional presence, our size provides us with the leverage to deliver the benefits to our clients that flow from economies of scale and our strength in the market place.

As an integrated group, comprising insurance, risk, healthcare and financial advisory specialists, we bring a wider range of expertise to the table. At the heart of our business is an emphasis on service excellence and total commitment to client care. We constantly aim to exceed your service expectations and we are proud of our client retention rate.

The way forward

Should you wish to discuss further how the Oval Trust Review Service will benefit you, please get in touch with your usual Oval representative or contact:

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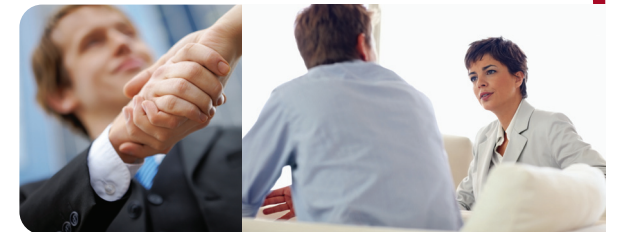
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The Oval Trust Review Service



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Authorised and regulated by the Financial Services Authority.

A trustee's overriding priority is to manage the trust's assets for the benefit of the beneficiaries, to maximise returns whilst safeguarding trust capital. This is an increasingly difficult challenge against the backdrop of constantly changing legislation and some of the most testing investment conditions since the Second World War. To simply do nothing could be viewed a breach of the statutory duty of care for which a trustee could be held personally liable.

This statutory provision arises from case law notably *Nestle v National Westminster Bank* (1993) 1 WLR 1260. In this case, the court emphasised a number of points; that the trustees should make regular reviews of trust investments (normally once a year) and the court, in making any decision on the effectiveness of any investments, can take into account the taxation position of the investments.

This in essence has shaped the whole history of trusts and subsequent legislation has enshrined the principles behind this ruling.



Legislation Changes

- Trustee Act 2000 - introduced wider investment powers and the statutory duty of care for trustees. Similar provisions were introduced in Scotland by the Charities and Trustee Investment (Scotland) Act 2005.
- The introduction in 2005 of trusts for Vulnerable Beneficiaries.
- Budget 2006 - the so called alignment of the Inheritance Tax treatment of trusts and the extension of "relevant property" regime to the majority of trusts.
- April 2010 - tax rate applicable to trusts rises to 50% on all bar the first £1,000 income.
- Perpetuities and Accumulations Act 2009 is expected to come in force sometime in 2010, which will simplify the current complex rules on maximum perpetuity and accumulation periods.

But change and opportunity often come hand in hand and Oval is introducing its Trust Review Service to help trustees overcome the challenges they face to ensure that the investments of the trust are structured in the most effective manner to meet the needs of the beneficiaries whilst minimising the tax burden.

What does the service offer?

- Analysis of the provisions and investment powers of the trust.
- A review of the existing trust investments.
- The development of an investment strategy, specifically tailored to meet the needs of the trust's beneficiaries including income and capital payment requirements as well as identifying the most appropriate risk profile to adopt.
- Assessment of the tax position of the trust.



A detailed report will be issued to the trustees summarising the key issues and clearly stating our recommendations. Going forward, regular reviews will ensure that trust investments and tax efficiency remain optimised with the changing needs of the beneficiaries. As a natural consequence of this proactive approach, trustees are likely to meet many of the duties expected of them.

Furthermore, the trust's investments can be actively managed through Oval's link to some of the best known UK fund managers via the Oval Discretionary Fund Management Service, thus ensuring immediate action is taken in response to developing economic situations.

Trusts often form part of a client's Inheritance Tax mitigation strategy and Oval is also able to offer advice on other aspects of the Estate Planning process to ensure wealth is passed from one generation to the next as efficiently as possible.

