

SIPP Terms Sheet

For use with:

Portfolio Plus Pension

Portfolio Plus Self-Invested Personal Pension

This is an **important document**. Please keep it safe for future reference.

This document should be read in conjunction with the Member's Booklet. Together these items form the terms and conditions of your contract.

If you have a Portfolio Plus Pension, and you have self-invested assets, or you have taken income drawdown, this Terms Sheet replaces the one you were given when you first started your pension

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Where this document refers to 'ReAssure' or 'we' it means 'ReAssure UK Services Limited', as scheme operator, or 'ReAssure Limited' as the scheme provider and insurer.

1. The ReAssure and Aegon relationship

We have a partnership agreement with Cofunds Limited (Aegon) to offer self-investment via a wide range of unit trusts and Open Ended Investment Companies (OEICs). We refer to these investments as 'collective investments available from Aegon' throughout this document. If you wish to invest in collective investments, you agree to ReAssure passing all or part of your:

- contribution or transfer value and/or
- value of your investment in insured funds

to Aegon to invest on your behalf.

Aegon are the owners and operators of the Aegon Platform and are the custodians of any collective investments that you have selected to be held within the plan. Whilst Aegon are the custodians for any collective investments available from Aegon, those assets are the property of G Trustees Limited (as the trustees of the scheme).

Details of the collective investments available from Aegon can be found on their website www.cofunds.aegon.co.uk

If you bought your plan through Cofunds, you would have received the Cofunds Customer Agreement/Terms and Conditions when your plan started. This was replaced by the Aegon Platform Terms and Conditions and the Portfolio Plus Pension and Portfolio Plus Self-Invested Personal Pension supplement. This gives Aegon the authority to:

- manage aspects of the administration of your plan.
- accept instructions from your adviser.
- Deduct the platform annual charge from your SIPP.
- Sell assets to ensure enough cash is available to pay any charges, income payments or other payments when they are due.

If you bought your plan through Cofunds and you decide to invest in collective investments available from Aegon through your plan, a product cash facility is available to help trading. This is used to:

- hold cash pending your instructions to invest in collective investments,
- make it easy for your adviser to buy and sell collective investments on your behalf, and
- receive all income from the collective investments you hold, and pay relevant charges.

For more information on using the Aegon platform, please speak to your adviser or see your Aegon Platform terms and conditions and the Portfolio Plus Pension and Portfolio Plus Self-Invested Personal Pension supplement.

2. Insured funds charges

Allocation rate

Your allocation rate is the percentage of your contribution/payment that we use to buy units. If your allocation rate is less than 100%, it means a charge has been applied.

Example: If your gross contribution is £200 and your allocation rate is 97%, £194 (97% of £200 = £194) will be used to buy units, and the remaining £6 is a charge.

Annual Management Charge (AMC)

The table shows the minimum and maximum AMC rates that apply to the different bands of the total value of your insured fund(s). The AMC rates that apply to your own plan will have been shown in any illustrations that were sent to you when you started your plan. The AMC applies irrespective of your chosen fund(s).

Product	Insured fund(s) value band	Min and max AMC
Portfolio Plus Pension	Up to £30,000	0.5% to 1.5% a year
	£30,000 and over	0.1% to 1.1% a year
Based on an example AMC rate of 1.0% up to £30,000 and 0.6% for £30,000 and over, if the total value of your insured fund(s) was £40,000 at the start of a plan month the overall AMC rate would be calculated as follows:		
$(1.0\% \text{ of } £30,000) + (0.6\% \text{ of } £10,000) = £300 + £60 = £360 = 0.9\%$		

Product	Insured fund(s) value band	Min and max AMC
Portfolio Plus Self-Invested Personal Pension	Up to £25,000	0.6% to 1.6% a year
	£25,000 and over	0.1% to 1.1% a year
Based on an example AMC rate of 1.0% up to £25,000 and 0.6% for £25,000 and over, if the total value of your insured fund(s) was £40,000 at the start of a plan month the overall AMC rate would be calculated as follows:		
$(1.0\% \text{ of } £25,000) + (0.6\% \text{ of } £15,000) = £250 + £90 = £340 = 0.85\%$		

The AMC and additional AMC (see below) amounts are taken daily by cashing in units in the insured fund(s).

Additional AMC

At the start of a plan month, if the total value of the units in your insured fund(s) is less than £15,000, and has never previously reached £15,000 at the start of a plan month, an additional annual management charge of 0.5% a year will apply for that month. This will continue to apply until the accumulated value of your insured fund(s) first reaches £15,000 at the start of a plan month. It will be calculated and deducted from units in the same way as the annual management charge. Note: For this purpose, plan months are counted from the date your arrangement starts and run for a calendar month. If your arrangement starts on 26 January, the first plan month will run from 26 January to 25 February, the second plan month will run from 26 February to 25 March and so on.

Fund management charge

A charge is taken from each fund throughout the lifetime of the plan. The amount of the charge varies by fund.

For funds managed by ReAssure, the charge is taken by making a deduction from the value of each fund daily. For funds managed by an external fund manager, the charge is taken by making a deduction from the value of each fund each working day. The unit price for all funds is therefore adjusted to reflect the charge.

The latest fund management charges can be found at www.reassure.co.uk/funds

Additional fund expenses

Funds managed by ReAssure may also bear additional expenses, such as the costs of holding and administering assets that are not included in the fund management charge. The amount of these expenses is variable but an appropriate allowance for them is made when calculating the projected benefits shown in your Illustration(s). If and when they become due, ReAssure makes the appropriate deduction when calculating the unit price of the fund.

Switching charges

You can have 20 free fund switches each policy year. After this, ReAssure can charge £10 for each further switch.

3. Self-investment charges

We have a partnership agreement with Aegon to offer self-investment via a wide range of unit trusts and Open Ended Investment Companies (OEICs). We refer to these investments as 'collective investments available from Aegon' throughout this document. Details of these investments can be found on the Aegon website www.cofunds.aegon.co.uk. If you would like more information about Aegon and/or the services it provides, please ask your adviser or Aegon (if you don't have an adviser).

If you choose to invest in collective investments through the Aegon platform, you will pay a platform annual charge from your SIPP. Details of the charges you will pay will be provided by Aegon or your financial adviser.

In addition to collective investments available from Aegon, there is a wide range of permitted self-investments. You may wish to speak to your adviser before any self-investment is made. You should make sure that you are aware of any risks associated with any self-invested asset that you choose to invest in. You should also ensure that the self-invested asset is appropriate for the required need; for example, the asset may need to be sold easily and quickly if you are planning to take your benefits in the near future.

ReAssure is not authorised to give investment advice and is unable to comment on or make any personal recommendation as to the appropriateness or suitability of any particular investment(s), based on your individual circumstances. If you are in any doubt as to the appropriateness or suitability of any particular investment(s), we recommend that you seek advice from an FCA authorised and regulated financial adviser.

ReAssure will not accept any responsibility for losses, damages, costs and/or legal charges that may be incurred as a result of buying a self-invested asset on your behalf. ReAssure may decline to purchase certain self-invested assets.

When buying or selling assets we will take all reasonable steps to obtain the best possible result for you, taking into consideration things such as price, speed, size and nature of

order and timings. If you provide any specific instructions for buying or selling assets we will follow these instructions but this may not obtain the best possible result for you. The combined value of your investments in insured funds and/or collective investments available from Aegon must be at least £25,000, and be maintained at, or above, this minimum level, in order for any other form of self-investment to be held (unless we agree otherwise).

The charges below are in addition to any charges applicable to the individual investments you select.

Installation charge

There is currently no installation charge for investing in collective investments available from Aegon.

For any self-investment other than collective investments available from Aegon, there is a one-off installation charge which is currently £295 plus VAT. If you only hold collective investments available from Aegon and subsequently make an investment into other self-invested assets, the installation charge of £295 plus VAT will apply. Within your plan you may have more than one arrangement containing self-invested assets but the installation charge will only apply once.

Annual charge

An annual charge applies to self-investment. The amount depends on your chosen investment(s).

The date you initially self-invest determines when the charge is taken. The first annual charge is deducted from your Member's SIPP bank account when you first self-invest. Please see the **SIPP bank account** section in this sheet. Thereafter, we will take the annual charge on each anniversary of that set up date. The period between the dates when the charges are taken is known as the 'SIPP year'.

Within your plan you may have more than one arrangement containing self-invested assets but only one annual charge will apply, based on the original SIPP year.

The annual charge currently applicable is as follows:

Type of self investment	Value of collective investments at the start of the SIPP year	Annual charge
Collective investments available from Aegon*	Up to £149,999	£200 plus VAT
	£150,000 to £274,999	£100 plus VAT
	£275,000 and over	Nil
Option A (see permitted self-investments)	N/A	£200 plus VAT
Option B (see permitted self-investments)	N/A	£375 plus VAT

*If you exercised the option allowing self-investment and income drawdown before 31 December 2012 then a different charge may apply. Please speak to your adviser or contact us for further information.

If you invest in more than one category of self-investment, the annual charge will be the highest applicable to your chosen investments. For example, if you have Option B investments in addition to collective investments available from Aegon, a single annual charge of £375 plus VAT will apply.

If you move into an investment option where a higher annual charge applies, an additional charge will be made when you make the change, based on the difference in the charges and the number of months remaining until the end of the SIPP year. For example, if your SIPP year starts on 1 January and you move from Option A to Option B on 1 July, an additional charge of £87.50 plus VAT will be taken at the time of this change (£375 plus VAT Option B charge less £200 plus VAT Option A charge = £175 x ½ for six months).

Movement to an option with a lower annual charge (for example, from Option B to Option A) does not result in a reduction in the charge until the start of the next SIPP year. This is due to the costs incurred in the valuation of the self-invested assets. If all self-investment ceases, no annual charge will be deducted at the start of the next SIPP year.

Permitted self-investments (other than in collective investments available through Aegon)

Unless ReAssure agrees otherwise or notifies you to the contrary, you may invest in any of the following:

	Option A	Option B
Stocks and shares traded on a recognised UK or overseas stock exchange	√	√
Shares quotes on the Alternative Investment Market (AIM)	√	√
Authorised unit trusts	√	√
Structured products	√	√
Investment trusts	√	√
Open Ended Investment Companies (OEICs)	√	√
Insurance company funds	√	√
Fixed interest securities	√	√
UK gilts	√	√
UK Real Estate Investment Trusts (UK REITs)	√	√
National Savings & Investment bonds and saving certificates	√	√
Debenture stocks		√
Permanent Interest Bearing Shares (PIBS)		√
Convertible securities		√
Listed hedge funds		√
Deposit accounts		√
Undertaking for Collective Investment in Transferable Securities (UCITS)		√
Depository interests		√
Traded Endowment Policies (TEPs)		√
Individual Pension Accounts (IPAs)		√
UK commercial property and land		√

All transactions in quoted UK or overseas securities should take place through a recognised stock exchange. There are a number of things your SIPP cannot be used for, including (but not limited to):

- to provide loans to any person,
- to invest directly in residential property or land attached to it,
- to invest in:
 - personal chattels capable in any way of private use
 - premium bonds or gold bullion
 - milk or fish quotas
 - shares traded on OFEX
 - unlisted shares
 - futures and options
 - Unregulated Collective Investment Schemes (UCIS)

- Exchange Traded Notes (ETNs)
- such other investments as ReAssure may specify from time to time.

For more details on permitted self-investments, please contact us.

Administration charges

Administration charges apply to the buying and selling of self-invested assets. They apply to each transaction, including those arranged by an investment manager on your behalf. Transactions involving collective investments available from Aegon will not be subject to an administration charge.

Administration charges will apply as shown in the following table:

Purchase or sale of UK securities, investment and unit trusts, Open Ended Investment Companies (OEICs), UK Real Estate Investment Trusts (REITs) and Permanent Interest Bearing Shares (PIBS)	£20 plus VAT
Capital actions (including scrip issues)	£20 plus VAT
Insurance company funds	£35 plus VAT
In-specie transfers of OEICs, unit trusts, stocks, shares and PIBS* *Other assets on request	£20 plus VAT
Establishing	
An external Trustee Investment Plan or Insurance company funds policy	£50 plus VAT
An external bank account	£50 plus VAT
A building society account	£50 plus VAT
Appointment of a new investment manager	£110 plus VAT

Please note that deals involving the buying and selling of assets are treated as two separate transactions.

The administration charges shown relate to the principal investments. Please contact us for details of charges in respect of other investments.

The buying and selling charges for overseas securities are often higher, please ask your adviser for further details.

Corporate action and voting rights

You may choose to exercise voting rights in respect of certain investments, for example UK securities, held on your behalf by ReAssure. You can exercise voting rights free of charge provided you vote no more than 12 times in any calendar year. If you exercise your voting rights more frequently than this, we may make a charge to cover our administration costs. When you reach the limit we'll let you know and give you details of how much we'll charge you for additional voting rights.

Switching charges

No switch charge will currently apply for investments being switched between collective investments available from Aegon.

Additional valuation charge

You will receive one free valuation of self-invested assets in each SIPP year. This will be automatically sent to you. Any additional valuations will be subject to our hourly rate of £94 plus VAT.

Valuing assets

Legislation requires that investments are valued at market value. This means that for collective funds, bonds, gilts, investment trusts, equities and other shares or other securities we use the closing selling price at the valuation date as a reasonable basis for market value. This may be different to the valuation basis used by an investment manager.

Foreign investments or cash are translated to sterling as at the date of valuation using the exchange rate provided by Interactive Data.

Stockbroker and custodian charges

The custodian of the self-invested assets will be the third party they are purchased through (or a custodian appointed by the third party). For investments other than collective investments available from Aegon, our nominated stockbroker is Stocktrade.

The Stocktrade custodian charge is £80 plus VAT each year, paid annually. For each Stocktrade transaction a dealing commission of 0.3% of the transaction value will be charged. This is subject to a minimum charge of £15 and a maximum charge of £75. Stocktrade may apply other charges, please see their rate card for full details.

Discretionary fund manager

We don't have a list of recommended discretionary fund managers that we can give you, however we do require that any discretionary fund managers we use have met our specific requirements and have accepted our terms and conditions.

Property investment (permitted in the UK only)

Property investment and management services are provided by Lambert Smith Hampton. We will consider any commercial property in the United Kingdom. Each property will be considered on a case-by-case basis to assess whether it is an allowable investment. The most common types of commercial property acquisition for the plan include:

- Shops
- Offices
- Industrial units
- Warehouses
- Factories

Commercial properties that include residential accommodation may only be allowable if they fulfil certain conditions. However, most residential properties are not allowable, as they would incur significant tax charges.

If you have any queries about a specific property, please contact us.

The following charges apply to property invested in the Portfolio Plus Pension

1. Property acquisition (minimum value excluding VAT)	£400 plus VAT and an additional £150 plus VAT on completion (if the property does not complete the £400 plus VAT charge will not be refunded)
2. Arranging a mortgage	£125 plus VAT
3. Ongoing administration	£150 plus VAT each quarter year AND the quarterly charges set out in 4 below, as applicable
4. Joint purchases (over and above one) VAT registered properties Properties with rent arrears	£10 plus VAT each quarter year for each Member £25 plus VAT each quarter year £60 plus VAT each quarter year
5. Additional property/property unit charge	An additional annual charge of £150 plus VAT a year
6. Development or refurbishment	0.5% of the final cost plus VAT (minimum £850 plus VAT)
7. New lease or renewal of lease	£265 plus VAT
8. Rent review	£265 plus VAT (Member tenant) £470 plus VAT (third-party tenant)
9. Deed of variation	£470 plus VAT
10. Sale or transfer	£470 plus VAT
These charges may be made to the tenant:	
11. Assignment	£470 plus VAT
12. Sublet (whole or part)	£470 plus VAT
13. Licence to alter/change of use	£470 plus VAT

We will make additional charges at the rate of £94 plus VAT for each hour or part-hour for work outside of our normal duties. You will be informed of any such charges before any work is carried out.

An inspected valuation, completed by a surveyor (and paid for by the SIPP customer), will be required for all property acquisitions, sales and in-specie transfers. An in-specie transfer is a transfer of an asset, other than cash, from one pension scheme to another.

Further services

Lambert Smith Hampton offers further services which are charged for on an individual basis. A surveyor service is included in this and may be used to undertake inspected valuations. Please contact us for further information in respect of this service.

Solicitors' charges (England and Wales)

The following solicitors' charges will apply to property purchases in England and Wales and are dependent on the purchase price of the property.

Acquisition:	
Property value up to £300,000	£1,750 plus VAT and disbursements
£300,001 to £400,000	£2,500 plus VAT and disbursements
£400,001 to £750,000	£4,000 plus VAT and disbursements
£750,001 to £1 million	£5,000 plus VAT and disbursements
Over £1 million	to be quoted separately
These charges are inclusive of borrowing and a lease to Member tenants. A lease to a third party may be charged at a higher rate, by separate agreement. For details of the solicitors' charges applicable in Scotland, please contact us.	
In-specie transfers	£1,750 plus VAT and disbursements
Sale/transfer out	0.5% of the sale price/transfer value plus VAT (min £1,000 plus VAT) and disbursements

4. Income drawdown charges

The limits that apply to income drawdown are as follows:

Minimum pension pot to start taking income drawdown (if you haven't previously used your pot for income drawdown)	£5,000
Minimum transfer in value of a pension pot already fully used for income drawdown if:	
- your existing Portfolio Plus Pension is not being used for income drawdown	No minimum
- your existing Portfolio Plus Pension is being used for income drawdown	£500
Minimum amount that can be crystallised for income drawdown	£500
Minimum remaining uncrystallised pension pot, immediately following a partial income drawdown designation	£5,000
Minimum regular withdrawal (Flexi-Access Drawdown only)	£100 monthly £250 quarterly £500 half-yearly £1,000 yearly
Minimum pension pot remaining to stop or start regular withdrawals, or take ad hoc withdrawals (Flexi-Access Drawdown only)	£500 ¹
Minimum ad hoc withdrawal (Flexi-Access Drawdown only)	£1,000 each
Maximum number of ad hoc withdrawals each income year	4 per birthday year

¹If you're taking regular withdrawals these can continue once the value of your pension pot drops below this amount. However, if you wish to stop or start regular withdrawals, or take an ad hoc withdrawal, and the value of your pension pot is below £500 you will need to cash in the whole pot.

The following charges apply to each arrangement used for income drawdown

Income drawdown charges depend on how the pension pot used for income drawdown is invested and where the income is taken from.

Depending on how the pension pot is used for income drawdown, it is possible that more than one set up charge and annual charge will apply. For example, the value of certain pension benefits may have to be held in a separate arrangement(s) to comply with HM Revenue & Customs requirements and charges will apply to each arrangement. If you require further information on this please speak to your adviser.

Arrangement(s) containing self-invested assets only or both self-invested assets and insured funds:

	Self-invested	Insured
Setting up full or partial income drawdown from an arrangement, including taking a tax-free cash lump sum, regular and/or ad hoc income withdrawals and transferring in a pension pot already used for income drawdown.	£130 plus VAT	Nil
Annual charge, due on each anniversary of setting up income drawdown ¹		
• if no income payments made during the preceding 12 months	Nil	Nil
• if income payments made from any self-invested assets during the preceding 12 months	£130 plus VAT	
• if income payments made from insured funds only during the preceding 12 months.	Nil	

Additional self-investment charges:

Payments by BACS credit to a Member's bank account	Nil
Payments by cheque/CHAPS	£35 plus VAT each payment
Alterations to income amount or frequency including additional ad hoc income payments	£50 plus VAT
All other alterations not specifically identified	£50 plus VAT
An additional sum to be used for income drawdown (from an existing arrangement being used for income drawdown), other than at your income drawdown anniversary	£50 plus VAT

¹If you are transferring in a pension pot already used for income drawdown, the income drawdown anniversary in respect of that pension pot will normally be based on when income drawdown was first set up within the original pension scheme.

The amount of the first annual charge will be proportionate based on the length of time between the receipt date of the transfer value and the date the first annual charge is due. For example, if income payments have been made from self-invested assets, the transfer payment was received on 1 January and the first annual charge is due on 1 July, then the first annual charge will be £65 plus VAT (£130 plus VAT annual charge for six months).

5. SIPP bank account

When you first self-invest, we set up a SIPP bank account for your benefit. This account is used to:

- Pay any charges
- Buy and sell self-invested assets
- Cover income drawdown and partial UFPLS payments

You must have enough in your SIPP bank account to cover the scenarios listed above, and also maintain a minimum value. For more information on this read our Liquidity Policy, which is available on request or at www.reassure.co.uk.

6. Further information

- There may be other charges not listed in this document, such as charges in respect of property or other investments not listed here. In particular, overseas investments often involve comparatively high expenses and hence may incur additional charges.
 - All self-investment and income drawdown charges are subject to VAT at the rate applicable when the charge becomes due.
 - Insured funds charges and how they operate can be found in the **Member's Booklet**.
 - ReAssure reserves the right to introduce charges or change the type and level of charges. Further information can be found in the **Member's Booklet**.
 - The latest published fund management charges and additional fund expenses can be found on our website: www.reassure.co.uk/fund-centre