

Fact Sheet – About your valuation

Fact Sheet | September 2011

This factsheet is intended for information purposes only. Its contents are not to be used as legal, financial or tax advice. The tax treatment and tax benefits are based on our understanding of current tax legislation. The tax treatment depends on your individual circumstances and therefore may be subject to change in the future.

Important information to help you understand your valuation

Valuations are produced in good faith but there can be a number of reasons why they might differ from the actual current value.

- » Annual valuations will be produced as at a certain date and values may have changed since then.
- » Values for some investments may be out of date as a result of infrequent pricing for that investment.
- » Some recent transactions may not be shown – for example if we are waiting for confirmation that an investment transaction has been completed.
- » The value of property, unlisted investments or certain collective investments may be based on cost when first purchased (plus associated costs) or an old valuation.
- » Where a property or an unlisted share* has been re-valued, the value stated will reflect the valuer's opinion. The actual market value may be different.

(* Unlisted shares may only be held in a MasterSIPP)

More information on valuations is provided below. If you have information regarding the valuation of a particular investment please contact your adviser or us.

Types of valuation

Valuations will either be audited or unaudited. Unaudited will be distinguished by a water mark running across all pages.

Audited valuation means that we have reconciled all bank accounts and investments held within your SIPP and made any necessary adjustments. The reconciliation will be made against the statements received from your investment manager, investment platform, fund provider or other third party at the reporting date. It does not necessarily mean that the price used to value the investments is up to date.

If you are in receipt of an unaudited valuation, then we will not have reconciled your SIPP so the investment holding or property information may not be up to date.

General

The valuation will cover your SIPP as a whole, even if you have started taking benefits. All of your SIPP's investments and cash balances are added together.

If you do not take benefits (often referred to as 'crystallising' benefits) from all of your SIPP when held in one plan, part of the fund is notionally allocated to support payment of benefits. This creates two 'pots', one crystallised and the other uncrystallised.

Once crystallised, the underlying assets of the SIPP are not allocated to a specific 'pot'. Therefore any changes in the value of your SIPP will be applied proportionately across both pots, rather than specifically against one pot.

Cash balances

The statement shows the cash balances of all bank accounts that your SIPP has. This includes the cash held in your SIPP's default Bank of Scotland account. Not all of this may be available for investment, as there may be:

- » fees due;
- » income payments pending;
- » a need to keep a float on the account; and/or
- » loan repayments to meet.

Interest on the default Bank of Scotland account (including any separate property accounts where appropriate) as at August 2011 is earned at the following rates:

Balance	Interest paid
£0 to £49,999.99	1% below the bank's base rate*
£50,000 to £249,999.99	0.5% below the bank's base rate*
£250,000 and over	0.25% below the bank's base rate*

* Subject to a minimum of 0.15% pa provided Bank of Scotland's base rate does not fall below 0.5%.

If Bank of Scotland's base rate does fall below 0.5%, but remains above zero, the SIPP bank accounts will receive the higher of the above rates or zero.

The cash balances held by investment managers may not reflect unsettled trades, so the balance may not be cleared funds available for immediate investment.

Properties and property cash accounts

The value of any property shown is based on your SIPP's share of that specific property. Similarly, where a separate property bank account is held, the value shown is generally based on your SIPP's share of the property.

Frequency of valuation

Most listed investments are valued daily, but property and certain other investments are valued less frequently. We have used the most up to date information we have in relation to each of your SIPP's investments, but the current value may be significantly different to that shown.

For the majority of listed investments and collective funds we rely on prices provided by Interactive Data (Europe) Limited. Prices are updated at the start of each business day unless technical or other issues mean that this is not possible. The values shown are based on the latest prices obtained by us and usually reflect the price at the end of the previous business day. We cannot guarantee that they are correct.

Pricing/valuation basis

Legislation requires that UK listed shares are valued on a Market Value Pricing (incorporating quarter-up) basis, which is calculated using the lower of:

- » The lower of the two prices (bid and offer) from the last business day, plus one quarter of the difference between those two figures (the quarter up rule), or
- » The average of the highest and lowest prices for normal bargains on that last business day.

This may be different to the valuation basis normally used by an investment manager. This basis is used to value investments that are listed on the London Stock Exchange. Those that have not been assigned a SEDOL are valued at bid prices.

For assets held on a foreign exchange the value is determined by a “reasonableness” test i.e. the price which those assets might reasonably be expected to fetch.

Foreign currencies are translated to sterling in line with exchange rates received from Interactive Data.

Holdings records, unaudited statements

Holdings will not reflect transactions that have not been processed by us or that we have not been made aware of.

Where an investment manager has been appointed, we rely on the investment manager to inform us of changes in the investment portfolio held by them. We cannot guarantee that the investment details (or associated cash accounts) are correct as at close of the previous business day.

We aim to fully reconcile all investment holdings with investment managers at least quarterly. Where the investment manager provides data to us electronically, we reconcile these monthly.

All other holdings (where they are held via a fund manager etc) are reconciled at least annually at your SIPP statement date.

Sundry debtors and creditors

Certain debtors and creditors are shown. This includes tax relief due from HMRC on personal contributions paid net of tax relief and also tax relief due on interest-bearing income. In addition we will also accrue any fees payable that have not yet been collected.

There may be other debtors or creditors that are not yet recorded on our system, for example:

- » dividends declared but not yet paid;
- » investment manager or adviser fees that have not yet been invoiced to us;
- » income payments pending;
- » rent prepayments; and
- » interest accruals.

All sundry debtors and creditors show the cumulative value for these figures calculated at the end of the last business day. For example, if there are outstanding tax refunds on two contributions, the total amount will be shown.

Income and expenses

Income is included in the statements on the following bases:

- » contributions – on a receipts basis but inclusive of the tax reclaimable where appropriate.
- » non property investment income – on a receipts basis.
- » property rental and other income – on an invoiced basis as adjusted for amounts more than six months overdue.

This means that valuations will:

- » not include income that has accrued but not been paid on bank balances, gilts and other fixed interest securities;
- » not include dividends declared but not yet paid;
- » not include rental income where no rent invoice has been raised; or
- » include rent invoiced but relating to a period beyond the valuation date.

Expenses are included on the following bases:

Fees	When included
Suffolk Life fees	On due date
Adviser fees	On receipt of an invoice
Property expenses	On receipt of an invoice
Investment manager fees	When deducted by the investment manager
Other expenses	On receipt of an invoice