

FACT SHEET

April 2011

MASTERSIPP AND INVESTMENT MANAGERS

The MasterSIPP offers a range of options of investing money. Investment manager accounts can be a streamlined, flexible method.

For adviser use only – not approved for use with clients

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 and other legislation, and depend on a customer's individual circumstances. They may be subject to change in the future.

An investment manager can be appointed to handle your client's SIPP fund. Investment manager (IM) accounts are held within a SIPP and can be used to hold investment assets such as equities (shares) or bonds. When an investor has an IM account, they may transfer cash to it from the main bank account and then use the cash to buy and sell stocks and shares.

There are a number of investment managers that report to us in an electronic format but we would be happy to deal with any investment manager that meets our due diligence requirements.

Choosing an investment manager

When an adviser is choosing an investment manager for their client's SIPP there are a few things to consider.

Not all IM accounts can be held in a SIPP at Suffolk Life, amongst other requirements, the IM must:

- » be authorised and regulated by the FSA;
- » meet our reporting requirements and report to us within specific timescales; and
- » adhere to our Schedule of Allowable Investments, found at www.suffolklife.co.uk/asliterature

E-investment affiliates

As mentioned previously, we have a number of investment managers that report to us electronically. There are named e-investment affiliates and provide an integrated, fee-saving option for our investors. These electronic data feeds provide automatic, daily updates to our systems – useful for active dealers and those regularly reviewing portfolios through our secure portal. Better still; transactions through e-investment affiliates do not incur transaction fees from us.

Global Agreements

Global agreements remove the need for individual investment agreements for each SIPP plan.

A number of investment managers and brokers have established global agreements with us, resulting in lower SIPP administration costs for the investor.

Shadowing

Why?

When an investor account is opened, the SIPP provider keeps a record on file. However, sometimes that is all that is recorded. The discretionary manager will send account statements which will probably simply be placed in the client's file.

Without investment tracking the SIPP provider won't be able to publish any up-to-date information for the portfolio, and if the client has any other investments (cash, property, hedge funds, trustee investment plans, etc) held by the same provider, the client won't get a consolidated view across the entire portfolio.

Without shadowing, the SIPP provider will not be aware of any underlying transactions. There is no double checking of allowable investments, meaning that if an unacceptable stock is purchased it could be over a year until this is realised and corrected, thus resulting in a greatly increased risk of unnecessary and significant tax charges for the investor.

The consolidated views of a shadowed account also give the adviser and their client a better understanding of asset allocation and risk profiles. This can be especially important if a SIPP is managed part by the adviser and part by a discretionary manager.

We **do** shadow transactions, to make life easier for you and your client.

Fees

In addition to the fees charged by the IM, there is:

- » £100 fee to establish an IM account (unless the chosen IM has signed our global agreement); and
- » £100 fee for the annual administration charge (unless the IM is an e-investment affiliate)

For more information, please see our Schedule of Fees at www.suffolklife.co.uk/asliterature.



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Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674). Both companies are authorised and regulated by the Financial Services Authority. Suffolk Life operates and administers self-invested pensions and similar pension products. The registered address of both companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ
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Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purpose

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